S. Hrg. 98-1095

THE ROLE OF OLDER WOMEN IN THE WORK FORCE

HEARING

BEFORE THE

JOINT ECONOMIC COMMITTEE
CONGRESS OF THE UNITED STATES

NINETY-EIGHTH CONGRESS

SECOND SESSION

JUNE 6, 1984

Printed for use of the Joint Economic Committee

U.S. GOVERNMENT PRINTING OFFICE
38-538 O WASHINGTON : 1984

T941-11

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[Created pursuant to sec. 5(a) of Public Law 304, 79th Congress]

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THE ROLE OF OLDER WOMEN IN THE WORK FORCE

WEDNESDAY, JUNE 6, 1984

CONGRESS OF THE UNITED STATES,
JOINT ECONOMIC COMMITTEE,
Washington, DC.

The committee met, pursuant to notice, at 9:40 a.m., in room 2118, Rayburn House Office Building, Hon. Olympia J. Snowe (member of the committee) presiding.

Present: Representative Snowe.

Also present: Mary E. Eccles, Christopher J. Frenze, Robert Premus, and Alexis Stungevicius, professional staff members; and Ann Carper and Lesley Primmer, legislative assistants to Representative Snowe.

OPENING STATEMENT OF REPRESENTATIVE SNOWE, PRESIDING

Representative SNOWE. The hearing will come to order.

Today's hearing is the last in a series of four Joint Economic Committee hearings examining the role of women in the work force. As our previous hearings have revealed, the many roles women play in society—wife, mother, caregiver—profoundly affect their labor force participation. As a result, the employment and retirement problems women encounter in their later years are often a direct result of a lifetime of job segregation, wage discrimination, and the difficulties of balancing work and family responsibilities.

Moreover, working against the full and productive use of older women in the work force are the still prevalent attitudes of ageism, sexism, and, in the case of minority women, racism.

The demographic changes surrounding the labor force participation of younger women have been examined in past hearings. Equally significant are the factors which affect older women's work careers. With a rising divorce rate, many older women are entering the work force for the first time or after a period of years. Whether divorce, economic necessity, or a desire to work draws them to the labor market, many older women do not have the skills, education, or encouragement necessary to compete in today's job market.

Many of these older women will not find work in the types of jobs that provide pension benefits, and for those who do, vesting requirements are geared to the work histories of men.

Further, increases in life expectancies mean that many women will be responsible for caring for their aging parents, a responsibility that severely taxes their energy and financial resources.

In addition, women can expect to spend the last several years of their lives alone as the longevity gap between men and women increases. Congress must recognize the social realities facing older women today when it considers changes in education, job training, dependent care, and retirement income legislation.

Our distinguished witnesses this morning have all been active in older women's concerns. I look forward to having their perspective on what can and is being done for women whose family responsibilities, personal choices, or changes in family circumstances have limited their entry into the work force and their opportunities once they arrive.

I would now like to welcome Ms. Shirley Sandage, executive director of the Older Women's League; Ms. Elizabeth Markson, of the Boston University Gerontology Center; and Ms. Jean Netherton, provost of Northern Virginia Community College, who is representing the National Commission on Working Women.

I would particularly like to welcome Eileen Lonsdale, the director of advocacy and support services, at the Western Older Citizens' Council in Maine. Ms. Lonsdale is active in a program which provides job placement and other supportive services to older women.

And finally, I am pleased to welcome Anne Moss, director of the Women's Pension Project at the Pension Rights Center, and Nancy King, deputy director of the Center for Women Policy Studies.

Our first panel this morning will consist of Ms. Shirley Sandage of the Older Women's League; Elizabeth Markson, a gerontologist at Boston University; and Jean Netherton, the National Commission on Working Women.

I welcome you here this morning. I would like if we can, for you to summarize your testimony and then we will have questions.

Who would like to begin? Ms. Netherton.

STATEMENT OF JEAN NETHERTON, COMMISSIONER, NATIONAL COMMISSION ON WORKING WOMEN, ACCOMPANIED BY JAN DE GOOYER, RESEARCH ASSOCIATE

Ms. NETHERTON. Good morning. I am Jean Netherton, provost of Northern Virginia Community College, Alexandria Campus, Virginia, and I am a commissioner of the National Commission on Working Women. I would also like to introduce a research associate for the National Commission and a staff member, Ms. Jan de Gooyer, with me this morning.

The National Commission on Working Women, NCWW, is a nongovernmental, action-oriented body created to focus on the needs and concerns of that approximate 80 percent of women in the work force who are concentrated in the low-paying, deadend clerical, service, sales, plant, and factory jobs. NCWW commissioners are women and men representing business, education, labor, the media, and the Congress. It advocates working directly with women in pink- and blue-collar jobs.

The Commission's mandate is to improve the social and economic conditions of these working women, and, on behalf of the Commission, I thank the Joint Economic Committee for the opportunity to testify today on an issue that profoundly affects large numbers of our constituents.

Of the approximately 49 million women employed, as of December 1983, 36 percent were between 40 and 70 years of age. The labor force participation of older women has almost doubled in the past few decades and is continuing to grow at a steady rate. In 1980, the Bureau of Labor Statistics predicted that 75 percent more women over 45 years of age will either be working or seeking work by the year 2000. The problems of sex and age discrimination these women already face in the labor market are likely to be exacerbated by their increasing numbers.

The majority of older women work for their economic survival. Forty percent are either single, widowed, divorced, or separated, while 21 percent must supplement their husband's low incomes. Life expectancy for women is now 78 years of age, compared to 70 for men, but the quality of these later years in a woman's life is likely to be poor. The majority of older women lead a dismal existence of poverty and isolation. Their low economic status is often related to years of poorly paid employment and inadequate or nonexistent retirement benefits.

In addition to employment discrimination which segregates women into low-paying, deadend clerical, sales, service, or factory jobs, older women who are working, looking for a job, or facing retirement, encounter the additional problem of age discrimination. Women are classified as "old" at an early age, and encounter age discrimination in the workplace that has a devastating economic impact and enormous emotional consequences.

First, a word about getting a job for older women. Just when the average American worker is anticipating retirement, many women face the challenge of finding their first paid employment. Fifty-six is the average age of widowhood, and many women in their 40's, 50's, and 60's experience divorce. Both events typically lead to an urgent need for paid employment. However, whether an older woman is a displaced homemaker, or a worker with years of valuable on-the-job experience, the discriminatory hiring practices they both encounter in the workplace is traumatic. For women of color, these problems are compounded by the addition of race discrimination.

One of the most common forms of employment discrimination against older women is the negative reverse of sexual harassment: the older woman excluded from a job opportunity because of a male selecting official, often young, but not necessarily so, acting upon his preference for young attractive women in positions under his supervision. This practice is widespread and occurs both in government and private industry.

There are many other discriminatory practices encountered by older women when job hunting, such as hiring policies which result from the employer's perception of customer demand or preference for youth, for example, stewardesses, models, and waitresses.

Selection devices not related to the job, such as a college degree, have an adverse impact on older workers. There are also companies which improperly ensure the maintenance of low average age in their work force by such methods as recruiting exclusively from college campuses.

In addition to illegal practices, older women encounter cultural biases which have the effect of discrimination, such as companies discounting employable skills women have gained from unpaid work.

The average unemployed woman over 55 remains jobless for 19 weeks, which is twice the average for younger women. The unemployment rate for women of color is double that of white women. Many women overall become discouraged and retire from a fruitless job search.

Second, what is it like on the job for older women? Being denied access to training programs is a major stumbling block in the path of working women seeking promotion and better pay. At insurance companies, banks, and retail stores, for example, women in their 40's, 50's, and 60's find that they must fight to be accepted into key training programs. In spite of years of experience on the job, they are frequently denied access and are forced to stand by while younger people with less seniority gain skills and knowledge.

In the EEOC files are many cases supporting this kind of dual discrimination—age plus sex. In some instances, discrimination is triplefold, with race as the additional element. An example is the case of the department store chain with 50 stores that employed young white males in a management training program to the exclusion of women or anyone over the age of 40. In the day-to-day operations of the stores the management trainees did substantially the same work as the nontrainees who were predominantly older women. Not only were the trainees paid more than the nontrainees, some of whom had been with the company for as long as 25 years, but the training program was the only basis for promotion to management.

In addition, upward mobility on the job is frequently impeded by employer insistence on educational achievements that are not job related. Just as being overqualified is used as a code word in the hiring process to screen out older women, so lack of education is used by employers as an excuse to pass over older women and deny them promotions appropriate to their work experience.

The earnings gap between men and women widens with age. In 1982 full-time women workers who were 45–54 years of age had an average annual income of $15,819. Men workers in this age bracket averaged $28,671. Regardless of promotions or lack thereof, years of job tenure usually bring financial reward to older men in the form of yearly merit pay increases. In many companies, this is not true for older women, for whom yearly pay increases do not keep pace with current entry-level pay. Often, women with years of seniority make only pennies more per hour than new employees.

Third, the retirement picture for older women. As women approach an age when they can no longer work, fear and insecurity rapidly escalate. Women 65 and over are the fastest-growing poverty group in America today. They have the lowest average income of any age or sex group, with the income for women of color lower still. The job segregation and wage discrimination that plague women throughout their careers have a devastating economic effect on their retirement years.

The years preceding retirement can be particularly hard on the woman worker. Many women are pressured—both directly and indirectly—to retire. The Commission recently received a letter from a woman in her early 50's who said that she was being harassed unmercifully since she refused the retirement package of her company. She wrote:

> The morale of the majority of the workers here is terrible. Some of us are single and need our jobs, while others are married and also need their jobs. No one wants to get together to fight this awful scenario. Everyone is afraid.

Other women cite the denial of promotion or pay increases as subtle pressure to leave. They also may have to deal with youth movements or housecleanings associated with mergers, reorganization, key management changes, or reductions in force. The emphasis in such cases may be on the hiring or retention of younger workers, or the demotion or termination, including retirement or layoffs, of older workers, or both.

One older woman, after working for 19 years with an excellent work record, was asked at the age of 63 to transfer to another section of the office because she no longer fit in. Her daughter said, "I've watched my mother's self-confidence go down the drain."

Another woman, also in her early 60's, gave notice that she would be retiring in 1 year and was moved from the front of the real estate office where she worked, to a back desk where she no longer dealt directly with customers. She felt hurt and, of course, demeaned by the sudden move.

About 50 percent of all working women are in jobs with no pension plans, and those companies that do have plans usually require job tenure of 10 years as a pension qualification. Women's average tenure at a particular job falls short of this requirement, for a number of reasons. Child-bearing and child-rearing responsibilities are a major factor, as is the tendency of women rather than men to interrupt their careers to care for ailing or elderly family members.

Additionally, 80 percent of working women are concentrated in low-paying, deadend jobs with low salary ceilings and no access to training or promotion opportunities. Moving from job to job, bargaining for a pay raise with each move then seems to make economic sense. In fact, financial gains are minimal and the goal of improving existing conditions in any one job are lost by default. A recent survey of 1,000 secretaries around the country revealed that seniority affected secretarial salaries more than any other factors, including education, skills, and experience.

There have also been instances of companies taking advantage of the knowledge that older employees nearing retirement won't quit. The employees are told that they will receive no merit increases during the 3 or 4 years prior to retirement. Thus, the company can put a ceiling on the earnings of the workers' last 5 years of employment which determine pension benefits.

So it is that millions of women do not receive a penny of pension benefits after a lifetime of work, while others receive minimal amounts. It is also a fact that the majority of women cannot depend on their husbands' income in their later years. By the age of 65 years, 62 percent of women are living alone, many of them widows. Less than 10 percent of widows receive their husbands' pension benefits and divorced women have only recently begun to gain access to an ex-spouse's retirement benefits.

Originally, designed as a base to which savings and pensions would be added, Social Security is often the sole source of income for the majority of women over 65. Seventy-two percent of the elderly poor are female, which is not surprising, considering that the average Social Security payment to retired women workers in 1983 was approximately $4,500.

What are, then, some of the strategies and solutions? With life expectancy increasing for all Americans, society needs to examine and reevaluate its attitude toward the aging woman. It is folly to continue to ignore the true potential of the older experienced worker. The solutions to the problems of age discrimination must come from efforts by the legislative-legal advocates, public awareness must be raised through the communications media, and society itself must shift its youth-oriented focus.

Some laws to protect older workers are already in place. The EEOC has the ability to enforce legislation outlawing age discrimination in hiring, promotions, training, layoffs, pay, firing, and other aspects of employment, through the Age Discrimination in Employment Act of 1967.

However, EEOC efforts to date have been scant and have tended to focus on the middle-aged white male. Age discrimination is compounded by sex bias for women workers, making remedies more difficult to implement.

With regard to the training of older workers, the Job Training Partnership Act of 1982 did include the needs of special groups, such as women and older workers. However, while JTPA as a whole is targeted for funding at about last year's levels, cuts have been proposed for some of its component programs, including one of importance to older women.

Funds available for national programs addressing the needs of special groups will be reduced by 13 percent. Through these federally administered programs, technical assistance has been available to develop training programs for women and older workers; and in the past, funds have also been available for pilot and demonstration programs for displaced homemakers.

In 1980, the latest year for which figures were available, fully half of the country's estimated 4 million displaced homemakers were over age 55. A reduction in pilot programs and technical assistance will mean even fewer older women will get the special employment counseling and training they need to enter or reenter the paid labor force. This is of critical importance to women whose job skills do not match the technology of the contemporary workplace.

Another part of JTPA of potential help to midlife and older women is the Dislocated-Worker Program. Dislocated workers are workers from closed plants or businesses, persons who probably won't be able to return to their previous occupations, or who have been unemployed for a long time, including older persons who may have substantial barriers to employment by reason of age. Contrary to common stereotypes, not all dislocated workers are men in blue-collar jobs in smokestack industries; many middle-aged women also wear blue collars, or are dislocated from pink-collar jobs by high technology.

Funds for dislocated workers come from both JTPA and the Trade Adjustment Act. Although JTPA funding remains the same in administration proposals, trade adjustment funds will decrease, putting additional pressure on JTPA. It is thus even more likely that the retraining needs of older women workers will be underserved in programs that tend to focus on men even in the best of funding circumstances.

One segment of JTPA, not slated for reduction, is job training for older persons, for which the governor of each State must spend 3 percent of all Federal job training funds. Participants in these programs must be economically disadvantaged and age 55 or over. According to the Census Bureau figures, 6.1 million persons age 55 or over have incomes below the poverty level; 68 percent of these persons are women, and a disproportionate number are women of color.

Determining whether older women are equitably served in training programs for older individuals may be very difficult, however. Under the block grant concept initiated by the Reagan administration, reporting requirements are minimal, and little data may be available on applicants, trainees, and program outcomes, cross tabulated by age, sex, and race.

The Vocational Educational Act should also be an educational support system for older women seeking training, counseling, and guidance for jobs not traditional to their sex.

Currently, the House Vocational Education Reauthorization bill, H.R. 4164, includes 5 percent of the basic grant set aside to overcome sex bias; an adult training title which includes displaced homemakers; and a section which specifies increased access to high-technology training for woman and girls. The National Coalition for Women and Girls in Education, of which NCWW is a member, supports H.R. 4164.

While the proposed Senate bill S. 2341 is more general, it also can serve older women under the definition of homemaker and single parent, and sets aside $90 million for programs and support services.

The elimination of bias against women, minorities, the handicapped, and older persons in vocational education programs is the key to providing the training or retraining necessary to make them economically self-sufficient.

With regard to retirement, there are many inequities and inadequacies for working women under the current Social Security system.

Women who leave the work force for homemaking responsibilities such as the rearing of children or the care of elderly or disabled dependents receive zero on their earnings record for every year over five they do not work for pay.

A woman is often entitled to a higher benefit as a spouse than as a worker. Her spousal benefit may be no greater than the benefit she should have received had she never worked outside the home and never paid Social Security taxes.

A worker qualifies for disability benefits only if she worked 5 of the previous 10 years at the onset of disability. Women often cannot pass this recent work test if they have been out of the labor force because of family responsibilities. Upon reentering the labor force, such women must begin all over again to meet the 5-year requirement.

A two-earner couple may receive lower monthly retirement benefits than a one-earner couple with the same total earnings. In addition, the Social Security changes in the 1981 budget eliminated the $122 minimum benefit for future retirees as of January 1982. The majority of the recipients were elderly women who were low earners and who will now get a benefit based solely on their meager wage record.

In conclusion, the National Commission on Working Women urges Congress to recognize the clear connection between the increasing numbers of women existing at or below the poverty level in old age, the increasing numbers of single-parent families needing financial aid, and the continuing lack of access for women to jobs that pay a decent wage. If an older woman cannot get the support and training she needs to find a job, or to move up in the one she has, she is likely to become a poor old woman. If she is a woman of color, that likelihood is even greater.

Furthermore, the number of women who will spend their final days in poverty are steadily increasing. It is imperative to break into this cycle now. The need to improve the quality of life for older women, both in the workplace and in their retirement years, extends beyond the current population. It has been projected that our society will become top heavy with people over 50, the so-called greying of America. Nondiscriminatory employment practices are not only an issue of justice, but one of practicality.

Thank you for hearing us this morning.

Representative SNOWE. Thank you, Ms. Netherton.

Ms. Markson, if you would summarize your testimony, if you have any additional materials, those will be included in the record. Thank you.

STATEMENT OF ELIZABETH W. MARKSON, DIRECTOR OF SOCIAL RESEARCH, GERONTOLOGY CENTER, BOSTON UNIVERSITY

Ms. MARKSON. Good morning. My name is Elizabeth Markson, and I am happy to be here. I am a sociologist at the Boston University Gerontology Center and have a particular interest in older women. They are not only our grandmothers, our mothers, but our sisters, and for some of us, either ourselves now or ourselves in the future, our daughters and our granddaughters. Really they are of significant importance.

I will summarize my statement. In my prepared statement I focused on employment problems, health, and caretaking responsibilities, particularly among women age 45 to 64.

Just to highlight some of the issues in terms of employment that I think Jean Netherton has covered so well, first of all, there has been a remarkable increase in paid employment of women in midlife within the past 20 years or so. Approximately 58 percent of women who are 45 to 54 and 41 percent of women who are 55 to 64 were employed in 1981, for example.

Yet the earnings gap persists. We are no better off really in terms of women's earnings than we were in 1939. In 1939, for example, the median earnings of women employed full time, year round in the labor force was 58 percent that of men. In 1981 it was 59 percent that of men.

As has already been highlighted, the earnings gap worsens as one ages. For women 45 and over, they make approximately 55 cents on the dollar as compared to 59 cents on the dollar for men.

Job segregation also persists. Fifty percent of women, for example, are in relatively poorly paid occupations--nurse, clerk, retail sales work, and teacher. Even there, they are paid less. For example, clerical workers on the average—again, full-time employees—earned approximately $100 less per week than did men.

This is primarily because women have been trapped into the lower echelons of even the female-dominated professions. In the teaching profession, for example, nursing school teachers tend to be female; superintendents tend to be male.

As has already been mentioned, women are generally unemployed for longer periods of time than men; older women are employed on the average for 19 weeks when employed. They make less than when they are rehired, and they are much more likely to become discouraged workers.

I want to emphasize the need to retrain older women in growth industries so that they make not only more money now but have more adequate pensions in the future. For example, women rank number one in terms of employment in the apparel industry, according to the 1982 study by the Department of Labor. However, that is number 50 in terms of growth.

I would like to turn now briefly to the topic of health. Not only is the older woman handicapped in her earnings capacity, but she may very well fall through the cracks in the health care system. An estimated 4 million women between the ages of 45 and 64 have no health insurance. Many of these women are members of unemployed and underpaid minorities, or they are displaced homemakers without income to purchase either insurance or pay on a fee-for-service basis.

Although males have higher death rates throughout the life course and more serious and incapacitating chronic conditions in later life, women have excess morbidity for certain types of conditions such as hypertension, diabetes, and for less life-threatening conditions such as arthritis, genital-urinary conditions, and osteoporosis, as well as for colds and minor infections. Preventive health care for women in midlife could reduce the disability and health care costs in old age.

Disability insurance, too, is a significant factor in the older woman worker, inasmuch as three in every ten women aged 45 to 64 live in female-headed households where they may be the sole source of support either as a result of lifelong singlehood, divorce, desertion, or widowhood.

The last topic I would like to stress is the midlife woman as caretaker of an elderly parent. The typical caretaker for an elderly parent is a woman between the ages of 45 and 65. Typically, too, the disabled parent will also be a woman, usually over 80, and with one or more disabling conditions.

The kinds of care that the elderly parent may need range tremendously. They include not only help with basic activities of daily living such as bathing and dressing, but also such instrumental tasks as housekeeping, transportation, food preparation, grocery shopping and managing one's personal affairs, balancing one's checkbook, being able to manage one's savings account and so forth—if one is so fortunate as to have one.

The available evidence suggests that caretaking inhibits labor force participation for women. According to one recent national survey, only about 25 percent of women caretakers are in the labor force. Giving care to an elderly relative, whether or not the caretaker is employed, is very stressful. The immediate demands to give care to an older parent, often at the same time when they may be still maintaining minor children or young adults, a spouse and a job, are apparently compounded by some intergenerational differences. There is a very popular belief that older people prefer to live with their children. About once every full moon a new study comes out saying that the contrary is true—older people prefer to maintain themselves in their own homes as long as possible and prefer a relationship of intimacy at a distance.

Older people living in the homes of their adult children or grandchildren have been found to have lower morale and less life satisfaction than those that are living in other arrangements. Children who are caregivers, in turn, report that their elderly parent does not understand them and that they share dissimilar life views. They also feel that whatever they do, they are not being fully appreciated.

These differences are further exacerbated by the effects of caretaking on one's own life. Caretaking is generally freely offered but at a great personal cost and an amputation of a portion of one's personal life and family life. Such things as leisure time, time to socialize with friends, vacations, and a whole host of things that most of us take for granted as part of our lives usually—again according to national surveys—are sacrificed by the midlife woman who is a caretaker. She cannot fit them in.

Clearly, caretaking is a task that not only must be assumed willingly but is also fraught with emotional and financial strain for even the most caring child.

A variety of solutions have been proposed to the problem of caring for an impaired parent—or a spouse, I should add—for many young-old women follow the pattern where they take care first of an ailing mother and then of an ailing husband. By that time, they are then probably in their late 60's, early 70's, and beginning to feel a bit tired.

Current medicaid coverage is limited primarily to an institution rather than a home-based delivery of care as well as focusing on acute rather than chronic illness. Even with medicaid to cover hospital bills, approximately 20 percent of the yearly income of the elderly is spent on health care items such as regular checkups, eyeglasses and so forth. Medicaid coverage in old age has also tended to follow an institutional model.

What can be done? Well, according to a variety of again national surveys, overwhelmingly, caretakers—that is, people who are actually taking care of a relative as opposed to people who are thinking of what would be a nice gift—actual caretakers prefer the provision of services to economic support or to tax credits.

For women now in their 40's, 50's, or 60's, many of whom may also be caring for an impaired husband or facing that prospect, a range of affordable services are needed, including, one, home health and assistance services. These include not only such things as homemaker but also transportation, financial management and so on, that would enable the elderly relative to stay in his or her own home as long as possible.

A second service that is needed is increased use of technology. There are a variety of technological devices. One, for example, is emergency alarm systems that allow older people to maintain themselves at home and to essentially push a panic button if they feel ill. It's a lifeline to the world. If one does not respond to the device, then the device responds to them. It's helping now. But there are a whole range of technologies that have been developed within recent years—a great deal of them through the NASA program—that would be extremely helpful for older people whether they are living by themselves or being maintained by a daughter.

The third service that would be very useful is adult day care centers where elderly persons who cannot remain at home without 24-hour attention may receive supervision and rehabilitation. This would also allow the caregiver to remain in the labor force and feel less strained.

And last, respite care facilities, where impaired elderly may stay for short intervals so that their caretaker may have relief from the emotional strain of caregiving.

Just in summary, I would like to say that the labor force participation rates of women at all ages has risen with each new age cohort, and the pattern of employment for women 50 to 65 may soon be similar to that of men of the same age in terms of participation in the labor force.

We know that families comprised of at least two generations of older women with no male present will become more common, given current patterns of sex-linked mortality. Accordingly, greater economic demands will be placed on women 50 to 65 and such women can anticipate perhaps the increasingly high cost of college education and graduate education, et cetera, for their children in an inflationary era as well as the likelihood of caretaking and financial contribution to retired parents, grandparents, and so on.

With the increasing proportion of women who are now in nonpaid employment by economic necessity, new ways of providing economic income to meet their financial and familiar responsibilities are needed. Limited job options, low-paid jobs, often insufficient health care coverage, caregiving responsibilities, and the financial hardship and social isolation imposed by the divorce, desertion, or widowhood inhibit midlife opportunities for women.

They also set the stage for their own old age where they are likely to face the prospect of three unesthetic choices: One, eeking out a meager existence on an inadequate pension; two, relinquishing their independence by moving in with relatives; or, three, entering an institution which is both unpleasant for the majority of people who enter, and very costly.

Greater job opportunities in higher paying growth industries increase the prospects for an adequate retirement income; and support in caring for impaired family members might go far in erasing this very unattractive picture of the future.

[The prepared statement of Ms. Markson follows:]

PREPARED STATEMENT OF ELIZABETH W. MARKSON

Chairwoman Snowe and Members of the Joint Economic Committee, I am Elizabeth W. Markson. I am a sociologist at the Boston University Gerontology Center with a particular interest in older women. I am most appreciative of the opportunity to appear before the Committee today. In my discussion, I will focus primarily on women aged 45-65 to present information and recommendations on their: 1) employment; 2) health; and 3) caretaking responsibilities, especially for an elderly parent.

Employment

In little more than two decades, notable changes have occurred in the labor force participation of women. In 1960, about 38% of all women were in the labor force; by 1982, 53% were in the labor force - an increase of 15%. The majority of women now in the labor force work because they must: 1 in 4 have never been married; 1 in 5 are widowed, divorced, or separated, and 3 in 10 are married with husbands earning less than 15,000 a year (1980 dollars). Most dramatic has been the increase in labor force participation among married women and mothers of young children; by 1982, 50% of married women with children under age 6 were in the labor force. And 66% of mothers of school age children were in the labor force by 1982. The proportion of female headed households has also increased dramatically within the last two decades; women now head nearly 1 in 3 households in the U.S. and, of every 8 women in the labor force, 1 is a woman maintaining her own family (Norwood, 1982). In most cases, these women were the only employed member of their families and lacked other sources of earnings, so that unemployment is especially disastrous.

Although the increase in labor force participation has been most marked among younger women, paid employment has also increased; about 58% of women aged 45-54 and over, 41% of those 55-64 were employed in 1981. Increasingly, midlife women have either remained in the labor force throughout most of their adulthood, reentered once their children were in school or had left home. Yet among midlife women, both sex and age discrimination combine to exacerbate their employment problems. Although the number of employed women under age 65 has increased since 1960, their earning power has not. Most women continue to work in the lowest paying industries, and, as work by Norwood (1982) has indicated, those industries with a high percentage of female employees tend to have the lowest earnings. In fact, median earnings for full-time, year-round women workers have not increased appreciably since 1939: 58% of the median for men in 1939, 59% of the median for men in 1981. As women age, the earning gap widens so that women over the age of 45 earn only 55¢ for every dollar men earn. Job segregation remains an important, if subtler aspect of both age and sex discrimination. For example, U.S. Bureau of Labor of Statistics data for 1981 show that 50% of all employed women are concentrated in four relatively poorly paid occupations: registered nurse, clerk, retail sales worker, and teacher. Even within female-intensive occupations, women earn less; for example, full-time women clerical workers earned $101 (1982 dollars) less a week than male clerical workers, primarily because they were concentrated in lower paying jobs such as secretary, typist, and cashier (Norwood, 1982). Moreover, women aged 45-64 are especially likely to be underemployed in marginal jobs, with an inequitable pay, or as workers in poverty households, and this is especially true for blacks and Hispanics.

Older women often find getting any job problematic. Not only is there a bias against hiring older workers in general, but there is also a bias against hiring older women despite their lower absenteeism rates (Doering et al, 1983). Moreover, when unemployed, the average older woman remains jobless for almost twice the length of time as a younger woman, receives lower wages when reemployed, and may eventually become a "discouraged worker," dropping out of the unemployment statistics altogether after a fruitless search.

Two categories of women experience particular difficulty finding employment: displaced homemakers and women with limited education. Displaced homemakers, that is women who have been divorced, deserted, or widowed and have no children under age 18 and are ineligible for AFDC but not yet eligible for Social Security, comprise about 13% of the female population aged 45-64 (Senate Committee on Aging, 1981). They experience both personal barriers, such as lack of self-confidence and little or no recent paid work history or sophisticated work skills. Men and women with limited education of any age fare poorly on the job market; median earnings for full-time employed women college graduates are about 45% higher than for women who completed high school only. Employed women aged 45-64 on the average have completed fewer years of education than either wives not in the labor force or men, thus placing them at a double disadvantage, for at every level of educational achievement, women's earnings lag far behind those of men. Perhaps it is not surprising that about 64% of all people aged 55-64 living below the poverty level in 1981 were women.

What is needed are retraining programs for older women, especially in new technical skills and growth industries, thus enabling women 50 and over to make more money now and have more adequate social security and pension benefits upon retirement.

With enhanced job skills and earning opportunities, many women might choose to continue working part-time or job-sharing with a same-age or younger worker after age 62 or 65; even now an increasing number of women 65 and over in the labor force are on part-time schedules: 60% in 1981 as compared to 43% in 1960. In general, older employed workers have higher incomes than retired people, but most elders in the labor force are relatively younger (65-69). The vast majority of elderly women depend on social security for their retirement incomes. Of the 3 million older persons receiving a minimum social security benefit of $122 per month in 1981, over 85% were women. Old, black women living alone with a history of inequitable pay and marginal employment are especially dependent on social security.

Health

Not only is the older woman handicapped in her earning capacity, but she may fall between the cracks in the health care system. An estimated 4 million women between the ages of 45 and 64 have no health insurance; many of these women are members of underemployed and underpaid minorities or displaced homemakers without income to purchase either insurance or pay on a fee for service basis. Although males have higher death rates throughout the life course and more serious and incapacitating chronic conditions in later life, women have excess morbidity for diabetes and for less life-threatening conditions such as arthritis, genitourinary conditions and osteoporosis (Verbrugge, 1983), as well as colds and other minor infections. Preventive health care for women in midlife could reduce disability and health care costs in old age. Disability insurance, too, is of significance for the older woman worker inasmuch as 3 in 10 women aged 45-64 live in female headed households where they may be the sole source of support - either as the result of singlehood, divorce, desertation, or widowhood.

Informal Supports to Older Relatives

As the very old - those 85 and over - have increased from 0.9 million in 1960 to 2.2 million in 1980, the likelihood of an older woman having at least one surviving parent (or parent-in-law) has increased. According to current demographic projections, the existence of several generations within the elderly category will be increasingly common. Contrary to popular belief, the majority of middle-aged and young-old children maintain close relationships with their parents and provide more assistance than do formal organizations. In one recent study (Branch and Jette, 1983), 85% of frail, old-old women and 87% of old-old men living outside of institutions relied upon informal support services only. In general, about 80% of the care provided to elders is given by family members. Institutional care is sought only after all informal resources have been exhausted. Financial aid is also freely given; in a study of care giving to the marginal income frail elderly in New York City, almost half of the children provided regular financial assistance to parents (Cantor, 1983). Among the very poor, homebound inner-city elderly in Boston, over one-third of these people received supportive services, including small amounts of money, from their children, indicating the repeatedly found pattern that the elderly are not abandoned by their children even when their children have no resources (Markson, Crescenzi, and Steel, 1984).

The typical caregiver for an elderly parent is a woman between the ages of 45 and 65 (Soldo and Myllyluoma, 1983; Cantor, 1983). Typically, too the disabled parent will be a woman over age 80 and with one or more disabling conditions. Kinds of care needed include not only help with basic activities of daily living such as bathing and dressing but instrumental tasks, such as housekeeping, transportaion, and food preparation, grocery shopping, and personal business affairs (Branch and Jette, 1983). The available evidence suggest that caregiving inhibits labor force participation; only about 25% of women caregivers are in the labor force (Soldo and Myllyluoma). Caregiving, whether or not the caregiver is employed, is highly stressful. The immediate demands of caregiving to an older parent (often at the same time one is still maintaining minor children, spouse, and job) are apparently compounded by intergenerational differences. Despite popular beliefs, most older people prefer "intimacy at a distance" with their children; they also prefer to remain in their own homes. Older people living in the home of an adult child and grandchildren have lower morale and life satisfaction than those in other arrangements (Grams and Fengler, 1980). Children who are caregivers in turn report that their elderly parent does not understand them and that they share dissimilar life views (Cantor, 1983). These differences are further exacerbated by the effects of caretaking on one's own life. Leisure time opportunities for a vacation, time to socialize with friends, and to spend with other family members and children are severely limited (Cantor, 1983). Paradoxically, the more caregivers value family and feel responsibility to other family mambers, the more likely they are to feel emotionally strained and that part of their life has been amputated. Clearly, caregiving is a task that not only must be assumed willingly but also is fraught with emotional and financial strain for even the most caring daughter.

Various solutions have been proposed to the problem of caring for an impaired older parent (or spouse, as young-old women are the primary caretakers of their ailing or impaired husband). Current Medicare coverage is geared to an institutional rather than a home-based delivery of care as well as to acute rather than chronic illness. Even with Medicare to cover hospital bills, 20% of the yearly income of the elderly is spent on health care items such as regular check-ups, eyeglasses, and so forth. Medicaid coverage in old age has also followed an insitutional model. Despite the finding that persons actually providing care for an impaired elder would prefer increased health care coverage and quality affordable homemaker/home health aide, and social services (Sussman, 1977; 1979; Horowitz and Shindelman, 1980), little has been done to provide these. Overwhelmingly, responding caretakers prefer services to economic supports or tax credits. For women now in their 40s, 50s, or 60s and caring for an impaired husband prior to his death - a range of affordable services are needed, including: 1) a range of home health and assistance services (including transportation, financial management, housekeeping, etc.), enabling the elder to stay in her/his own home as long as possible; 2) increased use of technology, allowing an impaired person to live alone; 3) day care centers where elderly persons who cannot remain at home without 24 hour attention may receive supervision and rehabilitation and allow the caregiver to remain in the labor force; and 4) respite care facilities where impaired elders may stay for short intervals so that their caretakers may have a relief from the emotional strain of caregiving.

Future Trends

The life span of the average American woman now exceeds at least 30 years beyond when her last child leaves home. Labor force participation rates at all adult ages have risen with each new age cohort of women, and the pattern of employment for women 50-65 may soon be similar to that of men 50-65. Families comprised of at least two generations of older women with no male present will become more common given current patterns of sex-linked mortality. Accordingly, greater economic demands will be placed on women 50-65 and even older middle-aged women can anticipate the increasingly higher costs of college education for their children in an inflationary era as well as the likelihood of caretaking and financial contributions to retired parents and grandparents. With the increasing proportion of women who are in paid employment by economic necessity, new ways of providing adequate income to meet their financial and familial responsibilities must be found. Limited job options and low paid jobs, often insufficient health care coverage, caregiving responsibilities, and often the financial hardship and social isolation imposed by divorce, desertion, or widowhood inhibit the midlife opportunities for women today. They also set the stage for their own old age where they are likely to face the prospect of 3 unattractive choices: eking out a meager existence; relinquishing their independence by moving in with relatives or entering an institution. Greater job training opportunities in higher paying growth industries, increased prospects for an adequate retirement income, and support in caring for impaired family members would go far in erasing this unattractive picture.

RESOURCES FOR FURTHER INFORMATION

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Representative SNOWE. Thank you, Ms. Markson. Ms. Sandage.

STATEMENT OF SHIRLEY SANDAGE, EXECUTIVE DIRECTOR, OLDER WOMEN'S LEAGUE

Ms. SANDAGE. Good morning. I am Shirley Sandage, executive director of the Older Women's League, a national membership organization devoted exclusively to the concerns of midlife and older women.

We began just a little more than 3 years ago, and since that time have grown to a membership of approximately 11,000. We have 84 chapters around the country. Our members reside in every State in the United States, the District of Columbia, the Territories, and in 1983, we voted to accept international memberships, and we do have some, so we are growing.

We are delighted to be here to talk about the economic concerns of older women as they relate to the work force; since retirement income is directly tied to years in the paid work force, it is entirely appropriate that we do so, and we commend you for your interest.

I would like to begin by calling to your attention that poverty for women in their retirement years is directly tied to the treatment they receive in the work force, and suggest that women during their lives progress upward through social strata into poverty at the end of the line in their retirement years, and that this is as a direct result of public policy. So it is important that we examine those policies in a broad sense to determine cause and effect and why so many women end up in poverty and alone at age 65 and beyond.

My point of departure this morning is to sketch the economics of aging for women in this country. On the whole, men and women in the United States experience aging quite differently. And the most important differences—in longevity, income, and marital status—are central facts with which both public policymakers and individual women approaching retirement must cope.

As of July 1982, there were 26.8 million Americans age 65 and over, about 10.8 million men and 16 million women. Thus women make up about 60 percent of those over the age of 65. In an older age category, we outnumber men 2 to 1.

There are no significant differences between the proportions of older men and women who are divorced, separated or never married. But there are very significant differences in the proportion of men and women who are widowed or married. Men are twice as likely to be married after 65 as women are, and women are four times as apt to be widowed. Even after age 75, about 70 percent of men, but only 22 percent of women are still married and living with a spouse. This is partly due to women's greater longevity and partly due to marriages between older men and younger women. One result is that women tend to live alone in their later years. In fact, 85 percent of all surviving spouses over 65 are female and 80 percent of 7.5 million elderly who live alone are women.

In 1982, the median annual income for women over 65 was $5,365 per year. It was $9,188 for men. The result is that older women comprise over 70 percent of the aged poor. In 1982, one-third of all older women had incomes under $4,000 and about 40 percent had incomes over $6,000. Slightly less than one-half of older men had incomes over

$10,000, but only 20 percent of women had incomes that exceeded that amount. Of course, not all of the women or men whose individual incomes fall below the poverty level of $4,626 are living in poverty; marital status does have an impact on that. Married women tend to have lower labor force participation rates than divorced, separated, widowed or never married women. Thus married women's individual incomes are lower, but their household incomes may be higher.

When income data are shown by race, Spanish origin, the lower economic status of minorities, especially women is evident. Older blacks have substantially lower median incomes than whites, and women lower than men of color.

Now let us look at the poverty rate among persons age 65 and over. In 1982, it was 14.6 percent. But if we recognize that nearly one of two black women and one of three Spanish-origin women and black men over 65 live below the poverty line, we still see that in absolute numbers, the majority of the aged poor are white women.

So in fact, older women, regardless of race or ethnic background, tend to be poor and tend to be alone. But minorities have particular problems and we need to recognize those.

While women's dramatic move into the world of paid work has been a phenomena of the last several decades, it is frequently not acknowledged that women over 50 have been full participants in that social transformation. This may be partly due to the way the published data is generally grouped, for example, by age categories 44 to 54, 55 to 64, the latter overlapping the period of eligibility for reduced Social Security benefits.

Now in our statement which you have before you, you will find tables, and you will see we have grouped this data to highlight women in their 50's. Those tables show the labor force participation for women of this age group has been around 50 percent for nearly the past 20 years.

Labor force participation begins to fall with the onset of middle age for both men and women. There were nearly 3 million Americans over age 65 who were employed in 1983. Women accounted for 40 percent of these persons. About 8 percent of women over 65 and 17 percent of men over 65 were employed in 1983. You will see those tables in my prepared statement.

While older persons, both men and women, have lower unemployment rates than younger persons, they have a harder time getting a job once unemployed.

The problems of unemployed older workers are often overlooked, because they have lower unemployment rates than younger persons. As a result, we often target programs for the unemployed toward youth and younger workers. But older people have a harder time getting jobs, once they are unemployed. In 1982, the average unemployed worker was jobless 23 percent longer than younger unemployed workers—19 weeks compared to 15.5 weeks for the younger workers.

Older persons are more likely to become discouraged and drop out of the labor force, which means they are no longer counted in the unemployment statistics. In the second quarter of 1982, for example, persons over 55 accounted for 23 percent of the 1.4 million discouraged workers, although they were only 14 percent of the total civilian labor force.

In 1983, about 60 percent of the officially discouraged were women. This may help to explain why the unemployment rates and duration of unemployment of men over 50 are greater than those of women over 50. They simply are not being counted, because they're not registering; they're not actively seeking work.

Many older persons, especially women, don't show up as either unemployed or discouraged. They retire and remove themselves entirely from the job force. Persons most apt to do this are older women. A study by the House Committee on Aging estimated that after a period of unemployment, nearly 1 in 3 women over 60 drop out of the labor force.

Given the depressingly low retirement income most middle-aged women can anticipate, and the permanent reduction in Social Security benefits resulting from retirement before age 65, why do so many women fade away into the invisible ranks of the discouraged and retired?

In the time remaining, I would like to point out several of the reasons.

Employment discrimination. As you know, two key Federal laws prohibit employment discrimination: The Age Discrimination Employment Act of 1967 and title VII of the Civil Rights Act of 1964, which protect against sex and race discrimination in employment. However, since title VII does not cover age discrimination, an older woman cannot easily succeed with complaints brought to the Equal Employment Opportunity Commission, if they are alleging compounded discrimination, meaning age, sex or age, race, sex.

Such compounded discrimination is not widely recognized. The author of a report on the labor market problems of older Americans made to the National Commission for Employment Policy noted nonexistence of studies on the topic of multiple jeopardy, adding that studies of sex differences and unemployment among older persons were extremely rare. Most employers today don't take the work actions that would allow an employee or a potential employee to prove discrimination. The approach is much more subtle than that. Word of mouth recruitment blocks new entrants. For example, they may be unwilling to consider life experience as a substitute for degrees or for paid work experience.

All too often, job descriptions call for degrees not actually needed to do the work. Middle-aged entry or reentry women, frequently displaced homemakers, desperate for jobs to survive following widowhood or divorce, lose out. In all too many cases, employers can point to the many young women working for them or to the many older male employees, defeating action by the older woman.

Renewed commitment to the enforcement of antidiscrimination laws, and a close examination by EEOC of how and why older women fall through the cracks is essential. In 1981, for example, less than one-fourth of the charges filed at the EEOC were by persons over 60, and only 36 percent of all ages charges were filed by women. The typical worker lodging age discrimination charges is a white male aged 50–59, in a management or supervisory position, who filed because of forced termination.

In seeking an explanation for why women over 60 filed only 7 percent of the cases that year, one should not overlook the comment by one woman near 60 who said, quite matter-of-factly, "I need a job more than I need my rights."

With the subtle and not so subtle discrimination older persons face in the labor force, it is unlikely there will be full employment for older women, until there is full employment for everyone.

Of those over 30, there are very few men, but large numbers of women who are new entrants into the labor force. Millions of midlife women need training or retraining to meet the special requirements of today's job market.

There are several ways in which older women could be served under the new Job Training Partnership Act. This might occur in the mainline programs, in programs for older workers, and in special programs for older Americans—a special set-aside for low-income persons over 55—while advocates are pleased that JTPA targets older persons, historically, when special target programs take place, they have the unhappy effect of absolving the rest of the program of any responsibility for serving the targeted group.

We hope Congress will maintain an appropriate monitoring function, which includes holding oversight hearings on JTPA's implementation. Older women should and must be served by all parts of the program.

Since private sector involvement is the foundation of JTPA, one can also ask how public policy as well as private advocacy can encourage employers, particularly small businesses where the largest number of positions are available, to hire older workers, and older women, in particular.

I also would like to speak briefly about care-giving responsibilities. I would like to point out that a barrier to employment faced by increasing numbers of women in their 50's and 60's, is their responsibilities as caregivers. The dependency squeeze is a growing phenomenon emerging from increased longevity, which does not necessarily mean longer periods of good health, and I think that's important to recognize.

Contrary to popular myth, most frail elderly are not living in institutions. They're being provided unpaid care in the home by the daughter, the granddaughter, the siblings or the daughter-in-law. It is estimated that 78 percent of women aged 40 have a surviving mother, for example. Caregiving then becomes a full-time job.

There is a lot of research that I could quote to you, and it is in my statement, but what I would like to point out here to you is that while we agree it is good for people to be able to remain in their own homes for a longer period of time, and OWL supports this, it is essential that as we set a public policy for this to occur, we recognize that the unpaid care will be provided by women, and those same women will not then be in the paid workforce earning the Social Security, earning the pensions, being able to make the savings needed to provide for their own retirements. And in effect, unless we include provisions for that kind of economic security to occur, we will, in fact, be contributing to poverty for older women in their retirement years.

As you look at earnings sharing and other sources of retirement income, and compare that to the impact of the caregiver's role on women's employment, we need to make some connections with retirement income needs of the women who will provide the unpaid care in the home.

Until women receive equitable economic returns for their labor, we know that older women will continue to be disproportionately poor.

I want to thank you for the opportunity to be here today and to share these thoughts with you. I know that this has been a concern of yours. I had the opportunity over the weekend to be in your State and to address a conference of women there, and I would like to share with you, that we now have many more women who belong to the Older Women's League in your State, and I think that within the next couple of months, we will have more chapters.

[The prepared statement of Ms. Sandage follows:]

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PREPARED STATEMENT OF SHIRLEY SANDAGE

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Shirley Sandage
Executive Director

Chairperson Snowe, members of the Committee. Good morning. I am Shirley Sandage, Executive Director of the Older Women's League, a national membership organization devoted exclusively to the concerns of midlife and older women. The Older Women's League was formed following the White House Mini-Conference on Older Women in 1980, and now has over 10,000 members, and chartered chapters in 30 states. Through education, research, and advocacy, we work for changes in public policy to eliminate the inequities older women face.

Income security is by far the issue of greatest concern to most older women. Since adequate retirement income is so obviously linked to labor force participation, we are especially pleased to have the opportunity to testify today at this final in a series of hearings on the role of women in the labor force. We commend you for your interest in this vitally important issue.

Middle-aged and older American women participate in the labor force for the same reasons that younger women and men do, primarily the economic need of their families and themselves. But for these women approaching retirement, there is the added motivation of concern about income security in old age. Although in theory income security in old age is sustained by Social Security, pensions, and assets accumulated over a lifetime, many are beginning to realize that most women depend primarily on Social Security for retirement income, and as a last resort, Supplemental Security Income.

My point of departure this morning is to sketch the economics of aging for women in this country. On the whole, men and women in the United States experience aging quite differently. And the most important differences--in longevity, income and marital status--are central facts with which both public policy makers and individual women approaching retirement must cope.

As of July 1982, there were 26.8 million Americans age 65 and over, about 10.8 million men and 16 million women. Thus women make up about 60% of those over age 65. In the older age categories, they outnumber men two to one.

There are no significant differences between the proportions of older men and women who are divorced, separated, or never married. But there are very significant differences in the proportions of men and of women who are widowed or married. As the accompanying table shows, men are twice as likely to be married after 65 as women are, and women are four times as apt to be widowed. Even after age 75, about 70% of men but only 22% of women are still married and living with a spouse. This is partly due to women's greater longevity, and partly due to marriages between older men and younger women. One result is that women tend to live alone in their later years. In fact, 85% of all surviving spouses over age 65 are female, and 80% of the 7.5 million elderly who live alone are women.

Table 1 -- MARITAL STATUS OF PERSONS 65+ IN 1982, BY SEX

Status	Men	Women
married	78%	39%
widowed	12%	50%
separated/divorced	6%	5%
never married	4%	6%

(Source: Census Bureau, Current Population Reports, P-20, No. 380, Table 1)

In 1982, the median annual income (total money income from all sources) for persons over age 65 was $9188 for men, and $5365 for women. Table 2 shows both the lower income of older age groups and the income differences between men and women, partly attributable to women's differing labor force participation.

Table 2 -- TOTAL MONEY INCOME IN 1982, BY SEX AND AGE

Age	Men	Women
45-49	$21,952	$7,549
50-54	21,112	7,449
55-59	20,226	6,195
60-64	15,536	5,691
65+	9,188	5,365

(Poverty level in 1982 for an older person living alone: $4626)

(Source: Census, P-60, No. 140, Table 10)

Older women are disproportionately poor, comprising over 70% of the aged poor. Table 3 illustrates income distribution through the elderly population. It shows what proportion of older persons have incomes at or above a given level. In 1982, one-third of all older women had incomes under $4,000 and about 40% had incomes over $6,000. Slightly less than half of older men had imcomes over $10,000; only 20% of older women had incomes exceeding $10,000.

Table 3 -- INCOME DISTRIBUTION FOR PERSONS AGE 65+ IN 1982, BY SEX

Total Money Income	Men		Women	
	(% with incomes at least the given amount)			
$ 0	100.0%		100.0%	
2,000	97.0		92.2	
3,000	93.9		82.1	
4,000	87.4		66.3	median = $5365
5,000	80.4		53.5	
6,000	71.9		41.7	
7,000	63.4		34.2	
8,500	53.3	median = $9,188	26.1	
10,000	45.2		20.2	
12,500	33.3		13.4	
15,000	24.9		9.3	
17,500	19.0		6.3	
20,000	15.0		4.9	
25,000	9.6		2.5	
30,000	7.0		1.5	
35,000	5.1		1.0	
50,000	2.6		.4	

(Source: Census, P-60, No.142, February 1984, Table 45)

Of course not all the women (or men) whose individual incomes fall below the official poverty level of $4626 are living in poverty; marital status has an obvious impact on household income. Married women tend to have lower labor force participation rates than divorced, separated, widowed or never married women; thus married women's individual incomes are lower, but their household incomes are higher. Table 4 compares the median incomes of men and women by marital status. Note that more than three out of four older men are married and thus are generally living in two-income households. Most of the women are not similarly situated.

Table 4 -- MEDIAN TOTAL MONEY INCOME OF PERSONS 65+ IN 1982, BY MARITAL STATUS

	MEN			WOMEN		
Marital Status	Income	# of men (thousands)	% of men 65+	Income	# of women (thousands)	% of women 65+
Married, spouse present	$9,792	8,068	76.7%	$4,465	5,887	38.7%
Widowed	$7,547	1,399	13.3%	$5,733	7,655	50.3%
Divorced	$7,333	347	3.3%	$5,666	625	4.1%
Never married	$7,291	501	4.8%	$7,243	829	5.4%
Married, spouse absent	$5,868	200	1.9%	$3,933	226	1.5%
		10,515	100.0%		15,222	100.0%

(Source: Census, P-60, No. 142, Table 45)

When income data is shown by race/Spanish origin, the low economic status of minorities, especially women, is evident. Older Blacks have substantially lower median incomes than Whites, and women lower than men of color, as Table 5 illustrates.

Table 5 -- MEDIAN TOTAL MONEY INCOME OF PERSONS 65+ in 1982, BY SEX AND RACE

Race/Spanish origin	MEN	WOMEN
Total	$9,188	$5,365
White	9,689	5,594
Spanish origin	6,210	3,671
Black	5,214	3,605

(Source: Census, P-60, No. 142, Table 45)

The poverty rate among persons age 65 and over was 14.6% in 1982. There are startling differences in the incidence of poverty when data is broken out by sex and race, with older women of color particularly vulnerable. For example, Black women are five times more likely to be in poverty in old age than White men are. Nearly one of two Black women and one of three Spanish-origin women and Black men over 65 live below the official poverty level. In absolute numbers, however, the majority of the aged poor are White women, as the following table shows.

Table 6 -- POVERTY RATES FOR PERSONS AGE 65+ IN 1982, BY SEX AND RACE/SPANISH ORIGIN

	Total	White	Black	Spanish Origin
Men	10.4%	8.3%	31.8%	19.7%
Women	17.5%	15.1%	42.4%	31.4%

Numbers of Persons Age 65+ in Poverty in 1982

	Total	White	Black	Spanish Origin
Men	1,093,000	790,000	268,000	48,000
Women	2,658,000	2,080,000	542,000	110,000

(Source: Census, P-60, No. 140, Table 17)

In short, older women experience aging differently than men do because they live longer, have lower incomes and higher poverty rates than men. They must stretch those lower incomes over longer lifetimes. No wonder that middle-aged women are a significant part of the paid labor force--their future economic well-being may well be at stake.

In 1983 women accounted for 44% of the labor force (48.4 million). About 53% of all civilian, non-institutionalized women over age 16 were in the labor force. While women's dramatic movement into the work of paid work has been a phenomenon of the last several decades, it is frequently not acknowledged that women over 50 have been full participants in that social transformation. This may partially be due to the way that published data is generally grouped, ie, by age categories "44-54" and "55-64," the latter overlapping the period of eligibility for reduced Social Security benefits. Table 7 re-groups this data to highlight women in their 50's, and shows that labor force participation for women of this age has been around 50% for nearly the past 20 years.

Table 7 -- LABOR FORCE PARTICIPATION RATES BY WOMEN IN THEIR 50's, 1955-1983 (selected years)

Year	Age 50-54	Age 55-59
1955	41.5%	35.6%
1960	48.8%	42.2%
1965	50.1%	47.1%
1970	53.8%	49.0%
1975	53.3%	47.9%
1979	56.5%	48.7%
1980	57.8%	48.6%
1982	58.0%	49.6%
1983	58.5%	48.8%

(Source: Perspectives on Working Women: A Databook, BLS Bulletin 2080, Table 5; Employment and Earnings, Jan. 1984, Table 3; unpublished BLS data)

While labor force participation begins to fall with the onset of middle-age, for both men and women, there were nearly 3 million Americans over age 65 who were employed in 1983. Women accounted for 40% of these persons. About 8% of women over 65 and 17% of men over 65 were employed in 1983, as noted below, although many more would like to be working.

Table 8 -- EMPLOYED PERSONS OVER AGE 65 IN 1982, BY AGE AND SEX

Age	MEN	WOMEN
	(numbers in thousands)	
65-69	987	696
70-74	495	299
75 and over	287	163
Total	1,769	1,158
% of Total Population	17.0%	7.5%

(Source: Unpublished CPS Base Tables, Table 8, U.S. Dept. of Labor, BLS)

While older persons, both men and women, have lower unemployment rates than younger persons, they have a harder time getting jobs once unemployed. The problems of unemployed older workers are often overlooked because they have lower unemployment rates than younger persons. But older people have a harder time getting jobs once unemployed. In 1982, the average unemployed worker was jobless 23% longer than younger unemployed persons (19 weeks compared with 15.5 weeks).

Older persons are more likely to become discouraged and drop out of the labor force, which means they are no longer counted in the unemployment statistics. In the second quarter of 1982, for example, persons over 55 accounted for 23% of 1.4 million discouraged workers, although they were only 14% of the total civilian labor force. In 1983, about 60% of the "officially discouraged" were women; this may help to explain why the unemployment rates and duration of unemployment of men over 50 are greater than those of women over 50.

Many older persons, especially women, don't show up as either unemployed or discouraged--they retire and remove themselves entirely from the job market. Persons most apt to do this are older women, as data from a study cited by the House Committee on Aging readily show. The study estimated that after a period of unemployment, nearly one in three women over 60 will drop out of the labor force.

Table 9 -- LIKELIHOOD OF WITHDRAWAL FROM LABOR FORCE AFTER UNEMPLOYMENT

Age	% of Men	% of Women
25-44	9%	25%
60 and over	27%	31%

(Source: "Unemployment Crisis Facing Older Americans," House Select Committee on Aging, Oct. 8, 1982; pp. 63, 70, 73)

Given the depressingly low retirement incomes most middle-aged women can anticipate, and the permanent reduction in Social Security benefits resulting from retirement before age 65, why do so many women fade away into the invisible ranks of the "discouraged" and the "retired"? In the time remaining, I would like to point out several of the reasons.

- Employment Discrimination

As you know, two key federal laws prohibit employment discrimination: The Age Discrimination in Employment Act of 1967 (ADEA) and Title VII of the Civil Rights Act of 1965, which protects against sex and race discrimination in employment. However, since Title VII does not cover age discrimination, an older women cannot easily succeed with complaints brought to the Equal Employment Opportunity Commission if they are alleging compounded discrimination (age/sex or age/race/sex).

Such compounded discrimination is not widely recognized. The author of a report on the labor market problems of older Americans made to the National Commission for Employment Policy noted the "nonexistence" of studies on the topic of multiple jeopardy, adding that studies of sex differences in unemployment among older persons "were extremely scarce."

Most employers today don't take overt actions that would allow an employee or potential employee to prove discrimination; the approach is much more subtle--word of mouth recruitment that blocks new entrants, for example. They may be unwilling to consider life experience as a substitute for degrees or for paid work experience. All too often, job descriptions call for degrees not actually needed to do the work. Middle-aged entry or re-entry women, frequently displaced homemakers desperate for a job to survive following widowhood or divorce, lose out. In all too many cases, employers can point to the many (young) women working for them, or to the many older (male) employees, defeating action by the older woman.

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Renewed commitment to the enforcement of anti-discrimination laws, and a close examination by EEOC of how and why older women "fall through the cracks" is essential. In 1981, for example, less than one-fourth of the charges filed at the EEOC were by persons over 60, and only 36% of all age charges were filed by women. The typical worker lodging age discrimination charges was a White male age 50-59, in a management or supervisory position, who filed because of forced termination. In seeking explanations for why women over 60 filed only 7% of the cases that year, one should not overlook the comment by one woman near 60 who said quite matter-of-factly, "I need a job more than I need my rights."

With the subtle and not so subtle discrimination older persons face in the labor force, it is likely that there will be full employment for older women only when there is full employment for everyone.

• Training Needs

Very few men over 30, but large numbers of women, are new entrants into the labor force. Millions of midlife women need training or re-training to meet the special requirements of today's job market.

There are several ways in which older women could be served under the new Jobs Training Partnership Act (JTPA). This might occur in the mainline programs, in programs for older workers, and in special programs for older Americans (a special set-aside for low-income persons over 55). While advocates are pleased that JTPA targets older persons, historically such special target programs have the unhappy effect of absolving the rest of the program of any responsibility to serve the targeted group. We hope Congress will maintain an appropriate monitoring function, which includes holding oversight hearings on JTPA's implementation. Older women must be equitably served in all parts of the program.

Since private sector involvement is the foundation of JTPA, one can also ask how public policy as well as private advocacy can encourage employers, particularly small businesses where the largest number of positions are available, to hire older workers, and older women in particular.

- Caregiving Responsibilities

Finally, I would like to point out a barrier to employment faced by increasing numbers of women in their 50's and 60's--their responsibilities as caregivers. The "dependency squeeze" is a growing phenomenon emerging from increased longevity (which does not necessarily mean longer periods of good health), increased labor force participation by women, and in many instances, changes in marital status.

Contrary to popular myth, most frail elders are not living in institutions. Their caregivers are nearly always middle-aged or young-old women: spouses, daughters, siblings, daughters-in-law, grandaughters. It is estimated that 78% of women age 40 have a surviving mother, for example. Caregiving frequently becomes a full-time unpaid job.

Research suggests that 40% of women 40 to 65 have child care responsibilities, and 10% have responsibilities for frail elders in their home. In female-headed households, almost half have either child or elder care or both. As the caregiver moves through middle-age, the dependency burden shifts from care of children to care of older relatives. Data from the Survey of Income and Education in 1976 suggests that 10% of women age 50-54 and 17% of women age 55-59 are caring for older persons who live with them.

The impact of the caregiver role on women's employment and employability--and thus on their retirement income--has not been adequately explored, but will become increasingly problematic in the years ahead.

The economic problems associated with caregiving are emblematic of the ultimate cause of women's low incomes in retirement: the de-valuing of the work women do, whether in or out of the paid labor force. Until women receive equitable economic returns for their labor, older women will continue to be disproportionately poor.

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(5) "Not Even for Dogcatcher: Employment Discrimination and Older Women," Frances Leonard, Gray Paper No. 8, Older Women's League, December 1982.

(6) "The Dependency Squeeze on Middle-Aged Women," Beth J. Soldo, Center for Population Research, Georgetown University.

Representative SNOWE. Thank you, Ms. Sandage. You visited the conference for displaced homemakers?

Ms. SANDAGE. Yes, I did.

Representative SNOWE. Very good. Thank you.

I want to thank all of you for your excellent statements and for sharing with the committee your perspective on the dimension of this problem. And there's no question that you portrayed a picture that is very dismal for older women attempting to reenter the work force or to stay in the work force at better paying, higher quality jobs.

The problem for women in the labor force is a multidimensional picture, and there are a number of issues that I think need to be attacked. There is no doubt about it—whether it's job discrimination or changing existing laws or addressing the issue concerning Social Security or pension reform.

To start with, I would like to get your comments on reforming existing laws. I am trying to get some focus as to what Congress can do to make the changes that are necessary to alleviate the hardship that older women face in trying to get back into the work force and to eliminate job discrimination and all the other barriers that exist for older women.

Let's start with some of the existing laws that are on the books. First of all, we have—and I know Ms. Netherton, you referred to it as well—concerning the EEOC and the lack of enforcement on the part of EEOC and the fact that all the litigation that comes to the EEOC tends to focus on white males.

What are the reasons for that? What changes would all of you propose in existing law to start with, and then we can talk about changes in the laws that would address some of the problems that women face, although perhaps Congress can't address some of these problems. Perhaps those answers must come from the private sector. I don't know. But I'd like to get some focus in that respect.

We can start with the Job Training Partnership Act, medicaid and medicare, pension reform. As you know, the Pension Reform bill has won unanimous approval from both the House and the Senate and is now in conference. So we can expect that we will receive final passage of that bill shortly.

The EEOC Age Discrimination Act and the laws currently on the book, are they satisfactory, or do we need to go a step further?

So why don't we start and get comments from all of you on what Congress can do to change existing laws, and whether or not the existing laws are satisfactory?

Ms. NETHERTON. Let me respond. I'm reading from a magazine, a publication, the Journal of the Western Gerontological Society, summer 1982, and this is from the quote that I made in the presentation on age discrimination concerning the tendency to focus on the middle-age white male. I'm reading from this now:

> Age discrimination is compounded, of course, by sex bias for women workers. Women themselves have filed surprisingly few charges.

And I think this was also mentioned earlier:

> With EEOC, a fact attributable in part to older women's tendency toward passivity and to the general lack of knowledge concerning their job related civil rights protections.

I'm not sure—in my own situation I'm not quite sure how to make that more available to the women who really need to know. Management supervisory personnel, faculty women in my educational sector tend to know what to do and how to get information on what to do. Women who are in the lower paying—and the national commission is concerned about the 80 percent who are in the nonprofessional sector working force—working women force—they tend not to know what is available to them, what their rights are.

I'm not sure I have an answer to that but I think it's something we need to find the answer to and maybe make it a little bit easier to find out what do I do? To whom do I go and what do I ask? Who supports me, when you only know that the person with whom you are working is the person bringing the discriminatory action. That's the only one you have to go to ask that kind of question.

We tried one of the things—again this is a very simplified sort of thing—there is beginning to be a great number—there are beginning to be a great number of employee assistance programs that include this kind of thing for people within their work place. But too many women do not have access to this. I'm not sure what we need to do about a campaign to make sure that people understand there is something available.

Representative SNOWE. Ms. Markson.

Ms. MARKSON. I'm not sure what to do either. I have observed some of the same problems you have mentioned. I was very struck recently when I was conducting a preretirement seminar for a very, very large corporation and in the discussion period, which was lively, a number of the women raised the point, why is it that my boss thinks that because I am 55 or 60 years old that I am incompetent, that I get paid less, that I work harder but am passed over while so-and-so who is 25 and pretty gets the pay raise?

This is an extremely difficult problem to attack. I think within this particular corporation, for example, many many of the older women workers, who are primarily in clerical occupations, were even unaware that they might have any possible recourse.

One of the areas that I might suggest is in the area of dissemination and education, providing information for older women. That's an extremely difficult thing, to bring a job action. Particularly when your livelihood is at stake. But if people can become increasingly aware that there are such options and if a mechanism can be setup where the options have teeth, this might go far to correcting some of the problems we have been discussing.

Representative SNOWE. Ms. Sandage.

Ms. SANDAGE. I'd like to talk about the enforcement of the EEOC and echo whats been said here that outreach is certainly a problem and I think that we need to recognize and remind ourselves that for an older woman who is reentering the job market after a considerable length of time or who feels some pressure about retirement out of a job, is going to find it very difficult within herself to bring that kind of action. And there is an element of fear, there is a whole self-image thing. That's compounded by the other fears that are going on in her life.

So, I think two things there: One, better training of in-take workers so that they have some sensitivity to older women and their particular problems and then perhaps some development of materials that take into account the fact that older workers, older women particularly, face discrimination—entry level discrimination differently than men do. It occurs at a different time in our lives.

If you are talking about a woman who has been out of the work force for 15 or 20 years who is trying to reenter, she's facing entry level discrimination at a time when a man is facing a different type of discrimination related to upward mobility or early retirement. So I think that there are some differences when we older women face it, and how in-take workers perceive us and perhaps some training in that regard and preparation of out-reach materials would help.

Representative SNOWE. Is your organization doing any kind of out-reach work or publicizing their rights in terms of using EEOC or making discrimination charged?

Ms. SANDAGE. One of the things that we did—and this has just occurred and has been developed as a model which we plan to replicate on a State level—was to bring 10 grassroots women to Washington one week ago to sit down in roundtable dialog with public policy makers from regulatory agencies, the people who write the regulations that implement the legislation, so that they would have some special understanding of what those problems are and vice versa. We want to extend that now down to the State level through our chapters which we hope will be helpful.

Ms. NETHERTON. The National Commission of Working Women is not a national organization so it does not have the out-reach. Let me share with you, if you had read one of the things in this same publication earlier. There was a suggestion here that when the enforcement responsibilities for the age discrimination and employment act was shifted from the U.S. Department of Labor to EEOC in 1978, workers seeking to file charges of age discrimination lost access to 300 offices in out-reach stations through which complaints could be placed.

As a comparison, EEOC has only 22 districts and 27 area offices throughout the country to help the older worker, to which the older worker can turn for help. So maybe that's some response, in a sense, of what Federal agencies were available and are not now.

Representative SNOWE. What do you think is attributed to the earnings gap widening as women get older in comparison to men? When they start out, women enter the work force at a younger age than men and yet they still earn less than men. As they get older, they continue to earn less than men and, of course, they leave the work force for probably a period of time, perhaps a longer period of time for some, and then when they get back into the work force they obviously are earning even less, if they can find a job. But is it because there isn't any upward mobility opportunities for women or is it because they lack experience, education, or because they have left the work force? What are the particular problems involved in terms of the earnings gap widening.

Ms. SANDAGE. I think it's a combination of all of those things but some additional things. My experience has been with reentry women. As technology passes them by, they need additional training. They may in fact have, and usually do, a high school education. They may have beyond that, but when they seek that entry level job at age 40 or 45 or 50 or whatever, they almost invariably will seek it at lower level. They lack information about the labor market. They really don't know the kinds of jobs that are out there that they could be easily qualified for.

JTPA with its regulations tends to cream in performance contracts. Women tend not to get into the programs because they often feel that they are not a good candidate. They may feel that they already have a college degree and, therefore, should be able to find a job on their own. Then they get hit with discrimination factors. I think it's a combination of many forces that relate to our lifestyle and how women are viewed in the job market, the discriminations that are still there.

Ms. MARKSON. I'd like to emphasize that. I think the data tend to show that while women in midlife who are in the labor market may have more education than housewives, their earnings do not at any point approximate those of men. In fact, a college educated woman may make on the average what a high school dropout male makes, according to recent statistics.

I think the problem of tracking into traditional female occupations is one very real barrier that still remains and the fact that women very early on experience blocked mobility. As I mentioned earlier, the first person who enters the teaching profession may stay as a nursery school teacher while the male who enters as a nursery school teacher may end up assistant superintendent or at least a principal. I do not think this is by accident.

A third issue that I think needs to be addressed is the importance of retraining women, as you just mentioned, in high-tech occupations. Women very often are trapped not only into low-paying and somewhat antiquated occupations, but also into seasonal occupations.

In New England, for example, it is not unusual for women who may be working in the electronics industry to be only seasonally employed. They are by and large midlife women, their families are dependent on their income, but there is no future in it. It cannot progress beyond what they are doing and they are going to be laid off as soon as the demand for that particular product slows down.

This particularly affects women; it also affects minority women even more strongly, as well as minority men.

Ms. NETHERTON. I guess I would have to agree. It's a gestalt of things. It's not any one of the singular things, but most women, if they are coming in late, in beginning entry jobs, just don't have time to earn money at any given level.

I'm thinking of the women we see in our institutions coming back in for the kinds of skills for reentry. A lot of them need just an update on job skills but also just an awareness of what's happening in the work place, and there is still somewhat a fear of getting back into that and they will take almost anything to get started and in which they will be—even if it's a part-time, no benefit kind of job, because they are being paid for it and this will give them an opportunity to get started, so to speak. But that still doesn't add up to anything at the end of it, and it's a combination of things that happens to them that coalesce to cause that early step to be very great.

Representative **Snowe**. Is occupational segregation any worse for older women or is it generally the same for older women as it is for younger women? Does it make any difference what age?

Ms. **Markson**. I would estimate it's worse for older women, probably due to a couple of factors. First of all, because of the time at which they were brought up and the educational options that they have. And the options of becoming a physician, for example, in 1945 were poor for women. An obvious and systematic discrimination.

I think that psychological factors probably enter as well, such that older women are going to be less confident by virtue of having been trained throughout their lives that they are less competent, whether in fact they are. So, one has a number of both systematic and personal factors interacting, some of which are social, some of which are economic, and some of which are purely an age cohort effect.

More and more women now are entering law school, engineering, and medicine. They still, however, are making considerably less money.

Representative **Snowe**. I know the Age Discrimination Act begins at 40 and ends at 70. Women obviously, as they get older, become more vulnerable in terms of discrimination. Is there any particular age that makes a difference? Is it 35 or 40?

Ms. **Markson**. I believe there was some work done recently by Mildred Doring and her associates that indicated that the earnings gap really starts at about age 35. And then starts to accelerate.

Representative **Snowe**. Ms. Netherton, you mentioned in your statement that women are classified as old at an early age. Would you say that 35 is——

Ms. **Netherton**. Are you asking that personally? [Laughter.]

I think it depends on the occupation, but certainly women begin to be middle age when you're at 30, you know, you're over the hill.

Representative **Snowe**. Should we drop the age in the Age Discrimination Act to cover women younger than 40? [Pause.]

Do we have an answer to that?

Ms. **Markson**. I believe it gets into one of these awkward questions of when is one middle aged. I've always said anyone 2 years older than I. But I think that people who are studying midlife have a lot of difficulties deciding when does middle age start. Some people say 35, some people say 40, some people say 45. Realistically, perhaps for women it does start at age 35.

Representative **Snowe**. At least in perception?

Ms. **Markson**. At least in perception of others?

Representative **Snowe**. I think that's essentially what we are fighting here, even among employers for example. I mean, in terms of job descriptions that they provide for applicants. I mean I think that certainly has many forms of discrimination. We are talking about a youthfulness or attractiveness or too much experience, or whatever the case might be, and I don't know how you attack that problem.

Strong enforcement obviously is very important by Federal standards, but how do you get beyond that? How do you attack that problem of discrimination among employers who have a preference for young women or more attractive women or whatever the case may be?

Ms. **Sandage**. Perhaps through targeted jobs tax credits.

Representative **Snowe**. Excuse me?

Ms. SANDAGE. Economic incentives for employers to open up jobs for middle aged and older targeted jobs.

Representative SNOWE. Tax credits, for example?

Ms. SANDAGE. Right.

Representative SNOWE. I know in the Women's Economic Equity Act we have a tax credit for employers who hire displaced homemakers. Unfortunately, we haven't managed to get it through this year. Hopefully, we will at some point, perhaps after the election.

What about the definition of displaced homemakers? Some say it's too vague. Ms. Sandage, do you have any comments on that?

Ms. SANDAGE. Well, the original intent was to target the woman who was not eligible for public assistance, meaning her children were within the age of majority, but who is not yet eligible for Social Security. I think we need to continue to target on that age group.

I recognize why there are many different definitions of displaced homemaker, but I believe we should not get too far from that original intent.

Representative SNOWE. What would have the strongest impact on employers? Tax credits or tougher enforcement of Federal statutes?

Ms. SANDAGE. Both.

Representative SNOWE. So it would be a combination. Anything else that you might think of that would be influential? Better trained workers?

Ms. SANDAGE. Some education.

Ms. NETHERTON. What comes to my mind, I wish there were an easy answer to that. I think that's kind of a societal sense for women to have a greater expectation and for the environment in which we live to accept that fact that experience, wherever it's gained, is valuable for people and that we need to put that to work. But that's how you change how people think and see.

You know, I'm not sure how to do that. As an educator I'm very interested in finding a way to do it. In my kind of institution, talking about community colleges, because we deal with so many ages, such a wide variety. We're beginning to see a lot more of that acceptance and that people learn throughout a lifetime and they do it for important reasons. People are looking at each other and saying that these experiences are valuable and everyone will rethink and retrain and retool and refine as we go through life.

Some of that is happening and I see some wonderful things happening for displaced homemakers and single parents, women who are coming back to school. I see that everyday, but I'm not sure how you do that on a broader scope and I'm not sure the Federal Government does that, you know? They help, but I'm not sure how.

Ms. MARKSON. Another area that I think could stand some attention in terms of education is the broad area of myths about the aging worker and myths about the woman worker. For example, there are still many, many myths that women are going to be sick all the time on the job, all the women are going to be particularly sick, they are going to go through menopausal blues, et cetera.

I think some simple straightforward education, just comparing some of the available Federal data and national health survey data, showing illness and disability rates might be rather useful just to publicize.

The issue of skills of older workers transcends women workers and is one that also needs some attention. At least some think by the age of at least age 55 or 60 people begin to fall apart. Their hands shake, they can no longer manipulate the most simple equipment, when indeed all of the data tell us quite the contrary. Unless they happen to be Welsh coalminers, where indeed one should cut it out by the age of 45.

Ms. SANDAGE. If you look at the data, women do work longer than men in the upper ages because they have no alternative. They must continue to work. A part of that I suspect relates to not being able to invest in pensions and the 5 years within the age of retirement limitation for paying in. But clearly they don't have economic sources other than work.

Social Security is not enough.

Representative SNOWE. What about part-time work? Some offer that as a panacea to full-time work for older women. If older women opt for part-time work, they don't gain any benefits, pension benefits or health benefits as a result. Should changes be made in that regard?

Ms. SANDAGE. Certainly access to health care is one of the major problems that older women face and one of the major fears. So, I certainly think it's extremely important that people look at those things.

Representative SNOWE. As you also all mention, older women have care taking responsibilities, as well, and perhaps they cannot work full time. Do you think it would make a difference for women and their income if they had an option of not only working part time but also continuing to have their health benefits and be able to contribute to a pension system, irrespective of the fact they are working part time. Would that help them in their income situation? Would that make a difference?

Ms. SANDAGE. I think that certainly would help. We are of course very interested in earnings sharing under Social Security. Those two things together would have an impact on the amount of retirement income available to a woman—being able to pay into a system longer or being able to vest as she reenters the work force. Sometimes women reenter so late, we cannot vest under current laws. So it would certainly help in that regard. Earnings sharing under social security providing credits for the unpaid care given at home would help as well.

I know that's complicated and we certainly are interested in what report comes out of Health and Human Services in July.

Representative SNOWE. Would you support, then, other changes for the private pension system over and above what has passed both the House and the Senate?

Ms. SANDAGE. We think that what has passed the House and the Senate is certainly better than what we have now. We will be very supportive of the final change coming out, but certainly there are other things that need to be looked at.

Representative SNOWE. Ms. Netherton, you mentioned in your statement that your Commission represents 80 percent of the women in the work force who are in blue- and pink-collar jobs. Can you tell me how many of these women belong to unions and do they have better benefits as a result of belonging to a union? Does it makes a difference?

Ms. NETHERTON. We have several union representatives as commissioners. I'm going to have to ask Jan.

Ms. De Gooyer. A small percentage of these women belong to unions. It's something like 16 percent. Yes, the benefits are improved if they belong to a union but the percentage of women who belong are so small that it doesn't create a better picture overall.

Representative Snowe. It does not?

Ms. De Gooyer. No.

Representative Snowe. So it doesn't make a marked difference.

Ms. De Gooyer. Well, if they join the union. But they're a very small percentage of them.

Ms. Netherton. What she's saying is 16 percent of the women belong to the union and those who do, of course, have greater benefits, all kinds of benefits and educational programs, upward mobility which helps a great deal.

Representative Snowe. Eileen Lonsdale, who will be testifying after your panel, has said in her statement that older women reentering the work force are seeking jobs not really qualified for more than minimum wage work. For example, we have the Community Employment Service Program for older women—older Americans, for people over age 55 and yet they do not get more than the minimum wage for a job after they receive their training.

Are there any training programs that will provide better paying jobs for older women, or what can we do to get them beyond minimum wage work for better paying jobs?

Ms. Sandage. We don't know of any program that's actually providing the jobs.

Representative Snowe. There's no existing program, and it seems to be a problem for older women. They are lucky if they can get a job, and if they get a job, it seems to be that it's a minimum wage job. So maybe it's because we are going to have to provide training in the high-tech area, for example, and more training for jobs that require that kind of expertise and skill.

Ms. Netherton. The chances are we need to work on some kind of career concepts for even later entry people so if they are going in at the beginning, there is an opportunity for some upward mobility in a position for older people.

Ms. Sandage. Certainly if the Vocational Education Act were to improve provisions for services for older women that would again make some resources available for that purpose.

Representative Snowe. The unemployment rate for older women seems to be lower than for women in other age categories. Is that because women have fallen into the discouraged worker category and therefore are not counted in the statistics?

Ms. Sandage. I think so.

Representative Snowe. I'd like to thank all of you very much for your testimony. I certainly appreciate the thought and effort and, again, your perspective on this very important issue. It's one that clearly needs to be addressed. As I said in my opening statement, this is the last of four hearings I have held on the role of women in the work force. I hope as a result of all of the data that has been collected from the testimony that we will be able to address the issue here in the Congress.

So I thank you all very much for your time and for your effort and your thoughts.

Good morning, Eileen. It's nice to see you, and thank you for coming down from Maine. I'm certainly looking forward to your testimony. Why don't you begin. You can summarize your prepared statement, if you care to, and the complete text will be included in the record.

STATEMENT OF EILEEN M. LONSDALE, DIRECTOR, ADVOCACY AND SUPPORT SERVICES, WESTERN OLDER CITIZENS COUNCIL, INC.

Ms. LONSDALE. Good morning. I intended to cover my entire statement, which you have before you. However, I listened to others who have covered many of the same issues. What I would like to emphasize is the very crucial issue of pay equity.

I work for an area agency on aging in Western Maine and we have an older worker's job bank. By definition, an area agency provides services to people 60 years of age and older. However, in employment, we serve persons 50 years of age and older. Clearly, women and employment is very definitely going to be an issue. As we move toward the year 2000, there will be more and more women and they will live longer.

Women just do not have enough money to live on, is about what it comes to. Through our older worker's job bank we have women coming in from age 50 through the late 70's. They all share a common problem. They just don't have a lot of money. And they come to us to find a job. Some of them have been in the work force for a long time and they are passed over for promotion, they are squeezed out and they are now without a job. Others have worked their whole life in their homes and they have no retirement.

Some of them are too young for Social Security. Many who get Social Security get under $400 a month, which they just can't live on.

Through the job bank we have been very successful in placing people in jobs. We started out in the Lewiston/Auburn area which is a high unemployment area because of shoe and textile industries moving out, which makes for a tight job market. For older people, it is even tighter.

What we have found is that we could find women jobs, but at the minimum wage. Therefore, when I look at the job bank and the number of placements, it seems much better than it is. When you look at what women get paid, that's the issue for us. We have found jobs for men at higher levels where their experience is much more readily recognized by employers, not so for women.

We deal very closely, of course, with the Senior Community Employment Program which I heard referred to earlier. That program is designed to provide job opportunities for people 55 and older who have limited incomes—$6,075 for a single person; $8,175 for a family of two. There are five senior community employment programs in Maine, and we have researched four of them. They serviced 383 workers, 73 percent of them were women. We also researched further and found that the average wage, even after training, was $3.35. We found one program that gave $4.09.

Well, this really doesn't do much to assist women to raise their standard of living or build up retirement. First of all, they provide 20-hour-a-week part-time jobs at a minimum wage and you are getting nowhere. When you look at the statistics, all you see are the placement rates.

My concern, and the concern of all of us in Lewiston, is what kind of jobs are they being placed in and at what salary. This is not to say that the senior community employment program is not a good one. Basically, it is, but it doesn't go far enough.

Not everyone is qualified for a mid-level or executive-level job. On the other hand, not everyone is qualified for an entry-level job. This program just assumes, at least from my research, that people should have entry-level jobs and by doing that we are really changing peoples' lives. I think the concept just hasn't been looked at closely enough and hasn't gone far enough.

We are experiencing the same thing with the Job Training and Partnership Act. We are training women to get jobs at entry-level salaries or just slightly above that. That doesn't make sense to us. And yet there is a certain amount of creaming going on in training programs. There's a certain amount, I feel, of just plain societal assumptions going on within the program. In Lewiston/Auburn and the other two counties that we serve, jobs are hard to get. The theory is these people are older and they should be glad to get whatever they can get. Unfortunately, women really buy into that.

If you will look at my testimony, I have more or less profiled three kinds of women that come through the job markets. One is the woman who has always worked, who has been passed over for promotion and at 55 or 60 is forced out and doesn't have a job. This woman's self worth is so low that she has bought into the societal view that she really doesn't have much to offer. She's grateful for a minimum level job, which in essence does little for her. She still needs the Home Energy Assistance Program and other entitlement programs.

The facts are that women live longer than men and their numbers are growing. We as a society have to look at where the private employers' responsibilities are. They need to recognize that people's experience is worth something in dollars and cents. Otherwise, we are simply relegating a disproportionate amount of the population, which will be women, to low-paying jobs under which they will not be able to exist. We will have to fund entitlement programs for these women.

From my perspective, when you look at employment and at training programs, look at them very closely. If all they do is provide entry-level jobs, I would say that that is really not the complete purpose. There should be different job levels based on experience. We have not found this. For example, we had a person with a lot of experience in office work complete a JTPA program computer course to upgrade her skills, or so we thought. Despite the training, she ended up unable to find a full-time job. She was offered a part-time job at $4.00 an hour. One would wonder if that is the purpose of a training program. It has done nothing for that woman. Again, she is one woman who is grateful for any job.

I heard a question asked on how do you change around societal views that women have about themselves? Women brought up in the 1930's, the 1940's are women I can really relate to. You have a lot of difficulty seeing yourself as really a very viable person in the job market and you are very scared.

Again, in my prepared statement, I talked about a woman who had been at a job for a very long time. She had been passed over for promotion. She was then asked to train a younger person who came in to be her supervisor. About 1 year later she was squeezed out of her job entirely. She came to us. Since it was such clear discrimination, we said to her, "Why do you not take some legal recourse?" She said, "I need a job more than I need my rights. I know if this happens I'll be blacklisted." Many older people think that way.

When I was growing up, I was told you don't talk politics. You never talk within the work force because if you do, then people will hold it against you. It's a whole new view today. What we are trying to do on the local level is to bring together younger women with older women so that the younger women, who were reared in the 1950's and 1960's and have a different view of themselves, will share this and help the older women to make a transition in their perception of themselves.

My feeling is that if we could have higher level jobs included in the job programs, perhaps high-tech jobs, that would be an answer for some women. There is a real rush now to train older people to do jobs in the home to help other older people. This is fine because there is a high need. Nonetheless, it's looked at as if there is an employment solution for older women who want to work. They will take care of older people. These jobs are usually minimum wage jobs with no benefits and there seems to be no consideration of that fact. There's a real concern on our part as we look at job programs, training programs and our own Older Worker's Job Bank that we are only looking at numbers to determine what is successful. One of our main goals is to forget about numbers and look at the quality of the job. We will also do a lot of community education with employers. That is a slow process but it has to be tried and it has to be advocated.

We are also looking to find some older women who will be role models for those women. Many older women believe that you have to be some kind of a superstar or a younger woman to get anywhere. They feel that they should be grateful for what they can get. But that doesn't solve the problem.

I gave a great many more suggestions in my prepared statement for public relations types of programs. I also suggested that when senior community employment programs are placing people that they match the salary with the experience of the person and with the responsibilities of the job. Hopefully, programs will then address more than whether people get a job. They will also address the pay inequities that clearly take place in the job market.

In Lewiston/Auburn, we went to the job service and talked about the issue. They said, "Women over 50 have less trouble finding jobs than men." OK. The statistics show that. What they don't show is that in Lewiston/Auburn—both full- and part-time workers—men get on the average $9,808, while women average $4,444, which is less than 50 percent. So again, numbers are misleading.

The median income for full-time employment in the same area is $13,000 for men and $8,000 for women. Again, this relegates women to being working poor. And I don't have any quick answers, but some suggestions I have made would require training programs like JTPA to address these issues. Also, that they not cream people who would get jobs anyway. Or say, "OK, we're going to train you. If you get a minimum wage or slightly above that job, that is good enough. We have accomplished something, we have a number; we have placed someone." That does not look at the job issue for women, as far as I'm concerned.

I am encouraged that this committee is looking at the issue of the older woman and employment. Maybe if we all work together, including some of the people who have testified here, people from rural States like Maine as well as from Washington, we can do something together. We need ideas on how to change women's perceptions of themselves. As long as women accept what people give, then nothing will change. When women say, "Look, I'm worth more than that"—because they really are—change will begin. I heard it referred to earlier that women do not go to the Human Rights Commission as often as men. I am sure that, particularly older women. I have talked with people on the Human Rights Commission. They say that some older women really don't see that anything can be done for them.

[The prepared statement of Ms. Lonsdale follows:]

PREPARED STATEMENT OF EILEEN M. LONSDALE

My testimony is based on six years of experience working as a Support Services Director of Western Older Citizens Council, the Area Agency on Aging in Western Maine, two years of experience with an Older Workers Job Bank and 50+ years of living and work experience. With the exception of the crucially important issue of pay equity, which results in poverty, I will not reiterate in depth the many inequities placed on women in all areas of work and in public and private retirement systems. The facts and statistics are clear for any who want to look at them. Instead, I will attempt to shed some light on the growing number of older women in the work force in Maine from the perspective of both the external and the internal barriers to employment.

The issue of the growing number of older women is not new. As Dr. Robert Butler, former Director of the National Institute on Aging, stated several years ago, "A new kind of older society is evolving and for the most part it is female."

Whether widowed, divorced, or single the older woman is faced with the necessity of supporting herself. The issue of poverty and women is clear. Two out of three persons living in poverty are women. By the year 2000, most of the poor will be women. Currently, 60% of women living alone subsist on Social Security checks of $373, monthly compared to $500 a month for men. Of these women, 33% live below the poverty level. Unless equity is achieved in women's salaries, the problem will increase rather than decrease as we move to the year 2000. Women are living longer; conversely, Social Security funds are shrinking. In 1983, the Social Security Act was amended to increase the retirement age from 65 to 67. In the year 2000, the process will begin; a clear signal that people will be expected to work longer. People are also living longer. Dr. Jarold Kieffer, Staff Director of the 1981 White House Conference on Aging, reports that from 1960 to 1983 the average life expectancy of men, once they reached 60, grew from 15.9 to 17.8 years. For women, the gain was from 19.6 to 22.7 more years. By the year 2000, when the Social Security retirement age starts to move up, average life expectancy for men at age 60 is projected to climb to 19.2, while that for women will be 24.7 more years. Unless the economic status of women improves considerably through pay equity in the job market, and adequate retirement benefits, the nation will be faced with a growing national dilemma which must be avoided for human and fiscal reasons. To be a woman over 50 in America who wants and needs employment is to face a double barrier to equality in the work force. After 20 years of liberation, more women than ever live in or near poverty. After 20 years, more women than ever need or want jobs as a source of adequate income to buy essentials such as food, clothing, and health care. If women are between 50 and 65, they want jobs that will provide some retirement financial security to supplement their Social Security or to survive until they qualify for Social Security. If they are 65 and older, they seek income to combat fixed retirement income, insufficient for many. To achieve these goals they need access to not just a job, but to employment which will raise them above the poverty level and provide a decent standard of living. The prospects for older women are dismal.

In addition to their economic problems, older women also face psychological barriers. These women were reared in the 20's, 30's and 40's. They were conditioned into believing that taking care of a family and a home was their primary goal. Even when they found themselves in circumstances that put them in the work force, they believed the job was secondary because they had been socialized into accepting home and family as their first obligation.

In the past decade, Government has responded to the need of low income older people who want jobs through Title V of the Older Americans Act and the 3% setaside for Older Workers in the Job Training and Partnership Act (JTPA). The Senior Community Service Employment Program and the more recent JTPA have not solved the problem. These programs are well meaning and their overall goals are admirable. Also, I do not mean to say that older men don't have problems, but it is my impression that these programs in particular overlook the special problems and barriers that older women face. None of the programs earmarked for older workers acknowledge or address the wage disparity faced by older women workers. My main purpose in presenting this testimony is to make you aware that older workers' initiatives don't recognize women's issues. A large number of participants in SCSEP and JTPA training programs are women. Analyzing statistical reports from four out of five SCSEP programs in Maine, out of a total of 383 workers, 73% were women. In all but one of the programs, the average wage was $3.35. The one program that was an exception had an average wage of $4.09/hr. These programs for the most part deliberately set wages as low as they can, perpetuating poverty for people 55 and over and also doing little or nothing to assist these women to build up a retirement income. Anyone who is low income at 55, qualifying for a subsidized job, that pays minimum wage for a 20 hr. a week job, is not setting any money aside for adequate retirement. The concept of the Senior Community Service Employment Program is a good one because it utilizes the skills of older workers, provides some training in new skills, and places older workers in Community Service jobs which allow them to make a contribution to the community. The clear problem is that it does little to raise the standard of living of the older person. By some sponsors it is viewed as a training program rather than as a utilization of skills older women and men have acquired in a lifetime. Again, the solution is not just a job or a training program, but the need for programs and employment that provide access to a decent standard of living, a feeling of well being, and a recognition of 40 or more years of acquired skills.

To highlight another facet of my experiences with the older workers, I want to illustrate the wage disparity that I have witnessed on a local level. In 1982 in Lewiston, Maine, an Older Workers Job Bank, an ACTION funded VISTA Project partly sponsored by the Bureau of Maine's Elderly, was established as a cooperative effort between the Department of Labor's Maine Job Service and Western Older Citizens Council. The Project's goal was to assist older workers to overcome age barriers in locating employment. The Lewiston/Auburn area has the second largest population in Maine. This large French-speaking population was economically depressed prior to the recession due to its dependency on the textile and shoe industries. Industries closed and continue to close and 'cut back' in the area. Clearly, the older worker has a tough time surviving in this highly competitive job market. Current statistics reveal that not only does Maine have the highest unemployment rate in New England, but that Lewiston/Auburn has the second lowest salaries in the Nation -$6.34/hr. in the manufacturing industries. Women in traditionally "female jobs" receive far less. There is a clear disparity in wages between men and women in the area. The mean income for full and part-time workers in Androscoggin County, which includes Lewiston and Auburn, indicates the following:

Men $9,808 Women $4,444

The mean income for full-time employment:

Men $13,133 Women $8,862

The mean family income in Androscoggin County by age categories:

45-54	$21,441
55-64	$17,331
65+	$10,111

Source: Bureau of Labor Statistics

While there is no breakdown by sex by age, clearly women receive lower wages, regardless of age. In this area with few exceptions, women work in female-dominated jobs which pay a disproportionately low wage regardless of the responsibilities and experience. Until that changes, jobs will make little difference in the attainment of a decent standard of living for women.

1980 CENSUS

STATEWIDE

	MALES				FEMALES			
Age Group	Employed	Unemployed	Labor Force	Rate	Employed	Unemployed	Labor Force	Rate
55-64	32,003	1,953	33,956	5.8%	22,385	1,105	23,490	4.7%
65 & Over	8,765	626	9,391	6.7%	5,500	482	5,982	8.1%

ANDROSCOGGIN COUNTY

	MALES				FEMALES			
Age Group	Employed	Unemployed	Labor Force	Rate	Employed	Unemployed	Labor Force	Rate
55-64	3,050	171	3,221	5.3%	2,471	111	2,582	4.3%
65 & Over	844	90	934	9.6%	503	41	544	7.5%

ANDROSCOGGIN

Unemployment Rate for All Persons	6.2%
Female	5.8%

Interestingly, the 1980 Census statewide indicates that the unemployment rate of females between 55 and 64 in Maine in general and in particular in Androscoggin County is lower for females than for males. The issue once again is not the number of jobs as much as the kinds of jobs and the pay women receive. As women join the work force, many of them join the ranks of the working poor. Without adequate income from jobs, some are also dependent on social programs, hardly an achievement from either the fiscal or personal point of view for women. It is important that we as women working with and in behalf of women not be misled by statistics that indicate numbers as does the Maine Census reports, but that we look at the level of pay working women receive as compared to working men. Government programs and many Area Agencies on Aging are now promoting employment and training opportunities for older people through work with local employers, similar to our Older Workers Job Bank in Western Maine. My concern is that we not gratefully accept in behalf of older women entry level positions, but instead promote the varying degrees of experience, knowledge and skills possessed by women working in the home, many of these skills very appropriately transferable from 30 years of managing, budgeting, counseling and working with people as the basis for entry into middle level or executive positions.

The Older Workers Project through its Job Developer was highly successful in placing persons 50 and older in full and part-time positions. Immediately she began the important process of matching the worker's skills with the needs of employers - simultaneously educating employers on the benefits of hiring older workers.

In 1983, the Older Workers Job Bank became a full-time project of the Area Agency on Aging. It continues to be successful in placing older workers. To date, 594 have registered, 309 of them women. What the Job Bank has not been able to do, however, is to bridge the disparity in pay for older women. Most of the placements made have been at moderate wages. The placements which produced a good wage were all filled by men. Jobs available to women have been primarily at minimum wage. After an experience of 55 or more years, it's rather hard to believe that women qualify only for entry level wages. Women have been relegated to low paying or volunteer work. Men on the other hand have a better chance of getting a middle level position. Although the older women workers who come to our Job Bank vary from the woman who will be entering the job market for the first time or reentering it after many years, to the woman who has a long work history, when one is a woman and "old" by this society's standard, the varying degrees of skills, experience and knowledge are not taken into account by the firms or organizations hiring them. Women are perceived and many perceive themselves as not qualifying for much more than entry level pay, or at least they are willing to accept it. In our experiences operating the Older Workers Job Bank, three categories of women have emerged. Let me illustrate with typical examples. After months of unsuccessful job searching, Ms. B comes to us with 40 years of successful working experience, having been edged out of a job due to reorganization. She has successfully completed a computer course, funded by the 3% Older Workers Monies of the Job Training and Partnership Act (JTPA), designed to upgrade her skills and ready her for employment. She cannot find a full-time job. Part-time work which offers no benefits at slightly above entry level salary is her only option. Ms. B is angry, discouraged and scared. After months of unemployment, her self-esteem is so low that she is willing to 'settle' for an entry level salaried job.

Mrs. C comes to the Job Bank after 30 years of being a wife, mother, and homemaker. She carries with her a lifetime of management and counseling skills having successfully raised a family of 8. Recently widowed, she needs to work, but she does not see her lifetime skills transferable to the job market. She is scared, her self-esteem is low, and she is ready to 'settle' for any entry level job she can get.

Lewiston, Maine is, I suggest, a microcosm of the nation. Older women need jobs which pay decent wages. They work for many of the same reasons that men do - economic reasons. Some have never married, others are widowed, divorced or separated. Some have to work because their Social Security is too low. Most have been unemployed for several months, some for more than a year. They have been discriminated against in the job market. Although they have varying degrees of skills, experience and knowledge, they are not viewed in the job market as being qualified for more than minimum wage. Conversely, our experience with men has been that many more have obtained jobs in keeping with their qualifications.

There is clearly a third group of women whom we seek out through active outreach efforts. She is the woman who has given up. After many months and perhaps years of searching, she has 'accepted' the fact that she has nothing to offer the job market and she drops out. She is the 'discouraged' worker and is not counted in unemployment statistics.

Finally, we should consider the statement of a woman who came to the Job Bank last year after she was passed over for a promotion, asked to train a younger person who was to be her supervisor and then 'let go'. When asked why she did not take legal recourse, she said, "Look, I do not want to be blacklisted. What I need is a job, not my rights."

I would ask this Committee to look closely at the world of work for women. We should guard against simply providing jobs for women without paying close attention to whether or not we are dooming them to eternal poverty as part of the working poor. Any remedial action needs to assure that jobs held by women provide a wage that is adequate to assure at least a moderate standard of living. It has been my experience or observation that any programs designed to assist in finding jobs or training or programs of subsidized jobs only perpetuate poverty. They transfer people from being dependent on welfare to the working poor who are still dependent on income benefit programs. The older woman in the job market needs to know that there are more than a handful of women 55 and over across the country who are earning $5, $8, or $11/hour. They need to know that these are average older women workers, not the super stars. Older discouraged women need to feel that it's possible for them to enter, stay, or re-enter the job market at other than minimum wage. I suggest that there are a number of steps to be taken to achieve this purpose. First, mandate that subsidized work programs pay the wages commensurate to job descriptions. Mandate that the years of experience that the majority of these older workers have be considered in setting wages. Second, assure that the public funds spent for training be for training in jobs that are at least $1 or $2 above minimum wage. And third, I would also suggest that model programs be established in numerous locations throughout the country, perhaps through existing discretionary grant funds. Older women are sadly lacking "role models" of older women who enjoy wage parity with men and respect for their occupations. There is a serious need for older women to identify with average older women workers who have been able to achieve a reasonable wage in a respected job that does not further demean that older woman's perception of herself, but allows her to build and grow in self esteem.

Projects designed to train and place women in occupations other than the traditional pink collar categories are needed for older women. These programs need to be for the average older woman, not for the exceptional individual. These women, trained and placed in employment providing economic equity with the other members of society can boost esteem, promote identification and a renewed positive image for older women.

Fourth, Public Relations Education Programs should be designed to change the image of older people, particularly women, from an image of dependency or the portrayal of a benevolent grandmother type to one of persons able to contribute their experience and wisdom as assets to business and industry.

I am painfully aware that this testimony has not dealt with many of the concrete issues surrounding the many inequities faced by women, with the exception of wages, but instead attempts to catch hold of the very illusive and all pervasive enigma of women and their value to society in general and to women in particular. However, I would ask this Committee to promote a nationwide Public Relations and Education Program not only to offer jobs for older women, but, more importantly, to challenge and turn around the stereotypical images of aging which determine not just how the employer feels about older women, but how the society in general feels and more importantly how older women feel about themselves. Given the high deficit of our National Budget, this perhaps is not the time to recommend monies being spent for any purpose, but existing programs can be used to achieve a measure of change in how older women are perceived and correspondingly how they are valued and compensated for their work. Government publications, promotions, advertising, initiatives in current programs, representation on commissions, advisory boards, study panels - all these avenues can be used to promote interest in and equity for older women workers.

Whatever action results from this Committee's study of employment of older women, the fact that you are hearing testimony on older women workers' problems is a positive sign that there is a beginning of national recognition of the plight of the older woman in the work force.

Representative SNOWE. Thank you, Eileen, for your very thoughtful statement and for sharing with us the experiences of your position and also the Older Job Workers' Program. Eileen, I appreciate your coming down from Maine today. I know it's been quite an effort, so I appreciate it.

Several questions concerning the Older Workers' Job Bank.

How does that work and what is the response of the businesses to the program? Is it essentially something that's arranged between the employee and employer—or the potential employee or employer—or is it something the bank works through with the employer to hire a particular individual?

Ms. LONSDALE. The way it works is really a coordinated effort. It started out as a VISTA project through the Bureau of Maine's Elderly. It is now part of the Area Agency on Aging. First, we went to the Department of Labor, the Job Service, in Lewiston and told them what we wanted to do. They were very cooperative. Our Older Workers Job Bank coordinator spends half days in the Job Service and half days in our office. When older people come in, they are referred to her because the Job Service recognizes that they need special attention. She does a lot of advocating and job development with employers. The Job Service will tell her that there is a job opening. She will call up the employer and make the arrangement with the worker to go over for a job interview. She then follows up to see why the person was not employed, if they were not. We meet with employers. We have questionnaires that go out to them. We make it very clear to them that we are interested in meeting their needs as well as the worker's.

What we are finding is, little by little, we're building our own reputation with employers, so that they will call us rather than going through the Job Service. And for some older workers, just because they have been looking for so long, they became very discouraged and would not go over to the Job Service, so they would come in to us.

The problem, as my prepared statement states, and as I have said this morning, is that we are still having difficulty persuading employers to hire women at much above $4–$4.50. Conversely, during the last 6 months we placed 3 men in jobs that pay between $18,000 and $28,000; women are still at $4.50. One of the men did have a high-tech background which may be one reason. We are working with the vocational people to see if, in fact, we can get women into vocational training. Older women themselves are somewhat scared of going into computer-type technical programs. It's something that they just haven't been educated to become involved in.

Representative SNOWE. Do you have specific employers sign up for the program, or when you find a vacancy or an opening with a business, do you match up the potential employee with that business?

Ms. LONSDALE. Well, both now. What we're doing is building up our own pool of employers. We are trying to do some education with other employers by using the ones who have good experience with older workers we have sent them. They will then go and talk to other employers by using the ones who have had good experience colleagues. We have tried it the other way. Many times employers just don't want to hear from area agency people, for instance. But when they hear it from colleagues, it's different.

We also work with the Chamber of Commerce.

Representative SNOWE. Well, you have mentioned two important points in your testimony. I think one is the perception that women have of themselves, and then, second, getting beyond minimum wage, if they get the job. And it's traditionally a minimum wage job.

Ms. LONSDALE. Right.

Representative SNOWE. Would it not be useful to have some kind of confidence-building program for women, if that were to be established, you know, either in vocational schools, community colleges, as as a part of University of Maine programs? Would that not be useful for women? Because you're right, if you've been out of the work force for a number of years—it's very difficult to muster all the confidence and try to secure a job. And so I wonder if that would be helpful, before they make the first step, to have it part of the training program.

Ms. LONSDALE. As a matter of fact, we have included confidence building as part of a recent proposal for the 3-percent moneys which are earmarked for older people under JTPA.

We have gone to Displaced Homemakers who have such a successful track record and they are putting together a special program, which will include men. The Area Agency will act as consultants to address the needs of older people.

It's very, very difficult. We're hoping to deal with this lack of confidence, by having people go through the Displaced Homemakers Program, which basically deals with some of the perception that older people have, particularly women.

Representative SNOWE. With respect to one of your points that women traditionally do not make more than the minimum wage, what can we do to be more successful in that respect? Is it the kind of training that is provided to women, let's say, under the Job Training Partnership or some of the other training programs? Is it possible that we're not providing the right kind of training to women, so that they can go beyond and achieve much more than the minimum wage? Or is it the attitude of the employer? Is it a combination of one or the other?

Ms. LONSDALE. I think it's a combination. I also think that women come from the so-called pink-collar jobs, clerical jobs, that you know, are just so much lower paying than equal jobs held by men. I realize this committee is looking at pay equity, and I think that is one of the most important issues for women. We must look at the responsibilities involved in jobs and pay accordingly and not look at traditional views of clerical jobs being worth $4 an hour and child care work as being worth $4.99 and bulldozer drivers being worth something else much higher. That is part of the problem that needs to be addressed. Older women do not enter high-tech jobs. As I said earlier, we are trying some computer training with some success. I don't think that's the answer for all older women.

Representative SNOWE. Do you find that employers are only willing to hire older women at entry-level wages, such as a minimum wage and no more?

Ms. LONSDALE. I find that they have a tendency toward that. In the areas we work, it is an extremely tight job market. Lewiston/Auburn has the second lowest salaries in the Nation, and, therefore, it is really an employer's market. I think they feel if you want a job, you'll work for minimum wage. Unfortunately, our women really need to work for economic reasons, and they do work for it.

Representative SNOWE. You mentioned in your testimony the Senior Community Service Employment Program. You said that one of the problems with that kind of program is that it does little to raise the standard of living for older people.

Can you tell us, is there anything we can do to make changes in that particular program that would encourage training that provides a higher wage than the minimum wage, for example? I mean, are we encouraging just minimum-wage jobs by the kind of training that we provide under this specific program?

Ms. LONSDALE. Partially, yes. I think that when people go into the employment program, they work in community jobs. Some may be minimum-wage jobs, but some of them are not. Some of the job descriptions that these people do on the job market would certainly be worth more than $3.35 an hour. I think that the program just hasn't looked beyond that initial "Let's find older people, let's give them some training, let's give them some income, and let's do something for the community."

This is fine. But if you're looking at what kind of impact is that really going to make economically and in the future for someone, I don't think it goes far enough.

To me, these should be different wages commensurate with what the job is. The same with training programs. They should not train people for minimum wage jobs.

Representative SNOWE. Based on your experience, I mean thus far, is there any question in your mind that age is a barrier to employment for women?

Ms. LONSDALE. Absolutely none. There is no question in my mind that age is a barrier in many areas for women.

Representative SNOWE. Do you have any examples of your experience with businesses in the community, the Lewiston/Auburn community, that are based on your ability to persuade them to hire a woman, irrespective of her age? Have you had to be persuasive?

Ms. LONSDALE. Yes. We have an excellent job developer who, herself, has gone through the Homemakers Program. She truly understands what it feels like to be a woman out there desperately in need of a job. I think she is sincere. She is also just plain hard to get rid of—she keeps at it and keeps at it. I think, initially, some employers are a little resistant to that, but usually, she wins them over.

There has been a lot of advocacy in the case of older workers, in general, and women in particular, because with women, you need to do it more.

Representative SNOWE. Finally, what have you found to be the most important factor in helping women enter the labor force for the first time? Is it access to job training, counseling or job placement, or any other factor?

Ms. LONSDALE. We spend time counseling people. People who either have been out of the job market for a long time or really have never been in the job market because they have spent their time raising families, do not see that they have any transferable skills. And anybody who has been home and raised a family knows that in order to do it effectively, you have to be a manager and a counselor, a budget expert, and many other things. Usually these women have a great deal to offer. But it takes a while to persuade them of that. Then it takes some job development, which we do.

Again, we're not successful in getting them jobs much above $4 or $4.50 an hour.

Representative SNOWE. Eileen, I want to thank you very much for not only a thought-provoking statement but for making a tremendous effort to come down from Maine to share with us your experiences, and it certainly will help us in designing legislation for the future.

You have been very helpful, and I appreciate it very much. Good to see you. Thank you very much.

We now have in the final panel Anne Moss, director of the Women's Pension Project at the Pension Rights Center, and Nancy King, deputy director of the Center for Women Policy Studies, and I thank you both for being here today.

Go ahead, Ms. Moss.

STATEMENT OF ANNE MOSS, DIRECTOR, WOMEN'S PENSION PROJECT, PENSION RIGHTS CENTER

Ms. MOSS. I will just summarize my statement.

I am Anne Moss, director of the Women's Pension Project, which is part of the Pension Rights Center, a public interest group whose goal is a retirement income system that is fair, adequate, and responsive to the needs of individuals and the economy. We appreciate the opportunity to testify about the pension problems of older women workers.

Older women tend to lose out on pensions for a number of reasons, but primarily because they are not included in employee pension plans at all or because arbitrary plan rules tend to work against the shorter service, lower paid workers, which are frequently women.

Fewer than one-half the women who work full time in private industry are covered by pensions, and less than one-half of those have vested rights to receive a pension.

The first obstacle a woman worker has to face is how to become a member of a pension plan. To some extent it is a matter of luck whether or not the company that employs her has a pension plan in the first place.

The problem for not just older women, but all women has been that the fastest growing sectors of the economy are the retail and service industries where women have traditionally worked, yet this is not where pension coverage is.

Pension coverage is something you see more in manufacturing. About 65 percent of the workers there are covered versus 33 percent of those in retail service jobs. I would say this is probably because manufacturing firms tend to be larger, and workers are more likely to be unionized and therefore have better pension coverage and benefits.

Another problem has been that an employer who does have a pension plan still doesn't have to cover every worker. For example, ERISA, which is the Federal law that sets the minimum standards for private plans, says that plans don't have to cover anyone who starts work within 5 years of the plan's normal retirement age, usually age 65. So this means that a woman who starts the job after age 60 may have no way at all to earn the rights to a pension.

An employee who starts a job before age 60 may discover that she, too, is excluded from the company plan for reasons other than age.

Plans must generally include workers between the ages of 25 and 60, but they still only need to allow a certain percentage of employees to join as long as they have what is called a "representative cross-section" of workers covered.

Within these limits plans are apparently free to exclude workers by categories. An older woman working for a small New York manufacturing firm told us, in a letter, that her company had set up a plan recently for all employees except anyone employed as a secretary.

The writer's complaint was that she is the only secretary and the only woman, yet she has been with the firm for a number of years, almost as long as the president and founder. She thinks the reason she was excluded was that the company president gave everybody retroactive credits, and he would have had to give her a pretty sizable pension, so it was a way to save money.

Employers may also require employees to work at least 1,000 hours a year—which is about 20 hours a week—in order to be covered by the plan. We are starting to hear about employers who deliberately limit their part-time workers to 19 hours a week.

A lot of the technical literature that we see on employee pension plans tells an employer, in great detail, how you can legally exclude workers from your company plan, and these articles show employers, with charts, diagrams and statistics, how you can exclude a certain number of workers in order to save money and therefore benefit people who are running the plan rather than the rank and file workers.

It is important to be covered by a plan, but then a woman has to work long enough to become vested. Our current vesting requirements don't take into account women's work patterns.

About one-half of all working women have spent less than 2½ years on their current jobs. Since the typical plan requires at least 10 years of work before becoming vested, only 41 percent of full-time working women covered by private plans have earned the right to a pension.

Low earnings are another problem for women in pension plans because formulas for figuring the amount of a pension benefit typically multiply a percentage of a worker's average earnings by the number of years she was covered by the plan. Since women earn about 60 percent of what men earn, their pensions are disproportionately smaller.

Low-wage earners also suffer under the very common practice of Social Security integration, which may leave a woman with little or no benefit at retirement. There are some plans that use formulas that take into account the amount of a worker's Social Security benefit in calculating her pension.

Since women have on the average lower earnings than men and because Social Security benefits are weighted in favor of the lower paid, women are more likely than men to be integrated out of the pension plan or receive a very small pension.

Another problem that women face is when a woman who is in the work force late in life may discover that her pension will be small simply because of her age. This problem exists because plans don't have to give any additional credit toward the amount of a worker's pension once she reaches age 65.

We do have a Federal Age Discrimination in Employment Act designed to protect workers up to age 70, and yet this law has a special explicit exception for employee benefit plans.

So that means anyone who works past the age of 65 may find her benefits frozen at that point. Again, that is another way for employers to save money at the expense of older women workers.

Finally, another problem for older women is that their benefits typically will not increase with inflation. A retiree, once entitled to a pension, is probably stuck with that same amount for the rest of her life. Only about 3 percent of plans have built-in cost-of-living adjustments.

Other plans are able to give ad hoc increases when they can afford to. We don't expect every plan to be able to afford to fully compensate retirees for every year there is increased inflation, but there are plans that can afford to give some increase.

We have been really dismayed recently to see that many employers with surplus assets in their pension plans have chosen not to use this extra money for cost-of-living increases, but view it as a windfall for the company. In the last few years, plans have terminated simply to allow employers to recapture the pension fund surplus and plow it back into the company.

As of this date, $2.2 billion has been recouped from employee pension plans, and this is money that could have been used for cost-of-living increases. About $1 billion is waiting to be recaptured as soon as Government agency permission is granted, and it is pretty much a certainty that the plans will be able to recapture.

Once a plan is terminated, the company purchases an annuity for each retiree, equal in value to what her pension benefits were to be. So she will get the promised benefits but no more. Once this is done, there is no possibility of a retiree ever getting a cost-of-living increase.

So long as employers see pension funds as a source of capital to invest in the company rather than as funds belonging to the workers and retirees, then a retired woman who gets the pension can be assured that her pension will only decline in value over her life span.

Ensuring a decent retirement for men and women is exactly why we have a pension system so heavily encouraged by tax policy. Pensions are the logical source to supplement inadequate Social Security benefits.

Employers don't have to set up plans, but they do, largely because plans represent a big tax shelter. Contributions to a plan are tax deductible and income earned by the plan is not taxable to the plan.

Because plans get these big tax breaks, we think it is reasonable to insist that older women and workers have a fair chance of getting an adequate pension at retirement. Even if a worker doesn't get a pension, she has paid for other people who do.

As a worker, she is getting lower wages in exchange for employer contributions to the fund, whether or not she has any hope of ever collecting a pension.

As a taxpayer, along with other Americans, she is paying billions of dollars more in taxes to make up the tax breaks enjoyed by private pension plans.

We think pension law should reflect the real work pattern of women today, and we hope this committee will take a look at the shortcomings of the current private pension system and recommend some changes on behalf of older women workers. Thank you.

[The prepared statement of Ms. Moss follows:]

PREPARED STATEMENT OF ANNE MOSS

My name is Anne Moss. I am Director of the Women's Pension Project, which educates both individuals and organizations about women's pension issues. The Project is an activity of the Pension Rights Center, a public interest group whose goal is a retirement income system that is fair, adequate and responsive to the needs of individuals and the economy. We appreciate the opportunity to testify about the pension problems of older women workers.

We hear from many workers who worry about what they will be living on during retirement. We know that women as well as men must have pensions if they are to have a decent retirement. The average social security benefit for a retired worker is only about $5,100 a year, or $425 a month. Few workers can rely on personal savings to make up the differences needed to "get by." And for many, there will be no pension or only an inadequate pension to supplement social security. Fewer than 11% of women over 65 receive a private pension.

Women workers tend to be the losers in the pension game for various reasons, but mainly because they are not included in employee plans at all, or because arbitrary plan rules work against the shorter-service, lower-paid workers, who tend to be women.

A homemaker may lose out on a pension because her husband dies at "the wrong time" or signs away her survivor's protection. A women who enters the paid labor force herself would seem, in contrast, to have some measure of control over her retirement security. In fact, she is at the mercy of an inadequate pension law and employers who take advantage of it. Fewer than half of the women who work fulltime in private industry are covered by pensions and fewer than half of those have vested rights to receive a pension.

Once pensions were viewed as rewards for the faithful, long-term worker, presented like a gold watch or a hand-lettered certificate at the end of a long career. But a pension is really not a reward. It represents wages - wages earned now and paid out at retirement. Enactment of the Employee Retirement Income Security Act (ERISA) in 1974 helped establish this fact. Yet too many employers see pension plans as nothing more than elaborate tax shelters to benefit themselves and their key employees.

* * *

If she wants to have a pension at retirement, the older woman worker must first be lucky enough to be employed by a company with a pension plan.

1. Industries likely to employ women do not provide broad pension coverage. The fastest growing sectors of the economy are retail and service industries, where women have traditionally worked. Manufacturing may not be rapidly growing but that is where the best pension coverage is - 65% of workers are covered versus 33% of those in retail service jobs.

2. An employer who has a pension plan is not required to cover everyone. For example, ERISA says that plans do not have to cover anyone who starts work within five years of the plan's "normal retirement age," usually age 65. That means a woman who starts a job after age 60 may have no hope of earning the right to a pension.

Before ERISA, it was the practice of a number of employers to exclude workers hired after age 45 or 50 or 55. Retail stores, in particular, whose sales forces included many older women, had such restrictions. ERISA is at least an improvement over the old rules.

But we have heard from a number of women who were hurt by the earlier rules and were not helped by ERISA. A Pennsylvania woman told us that she had been hired by a large department store, part of a national chain, in 1971 when she was 56 years old. She was then excluded from the company plan because she was over their maximum age of 55. But when the new provisions of ERISA went into effect in 1976, she was 61. The company plan could still exclude her because she was again older than the maximum age to begin plan membership - now age 60. As of 1984, she will have put in 13 years with an employer who maintains a plan, and has no hope of even being covered by the plan.

The Retirement Equity Act, recently passed by the House and Senate, addresses the problem of employees who are excluded from plans for being too young. We hope Congress will next consider removing any maximum age for participation.

An employee who starts a job before age 60 may discover that she is excluded from the company plan for reasons other than age. Although plans must generally include workers between the ages of 25 and 60, they only need to allow a certain percentage of employees to join, as long as a "representative cross-section" of workers is covered. Within these limits plans are apparently free to exclude workers by categories.

For example, an older woman working for a small New York manufacturing firm told us in a letter that her company had set up a plan for all employees "except anyone employed as a secretary." The writer's complaint is that she happens to be the only secretary _and_ the only woman employee. Yet she has been with the firm for thirteen years, almost as long as the president and founder.

Employers may also require employees to work at least 1,000 hours a year (about 20 hours a week) in order to be covered by the plan. We are beginning to hear about employers who deliberately limit their parttime workers to 19 hours a week. Much of the technical literature on employee pension plans tells an employer in great detail, "How you can legally exclude workers from your company plan"! Evidently, some employers have it down to a science.

Being covered by a pension plan is important, but it is only a first step. An employee also needs to work long enough to earn the right to receive a pension at retirement.

3. Current vesting requirements do not take into account women's work patterns. Half of all working women have spent less than 2½ years on their current jobs. Since the typical pension plan requires at least ten years of work before becoming vested, only 41% of full-time working women covered by private plans have earned the right to a pension.

4. Low earnings translate into low pensions. The most common formula for figuring the amount of a pension benefit multiplies a percentage of a worker's average earnings by the number of years she was covered by the plan. Since women earn about 60% of what men earn, their pensions are smaller, too.

Low-wage earners also suffer under the practice of social security integration, which may leave a woman with little or no pension benefit at retirement. Some pension plans use formulas that take into account the amount of a worker's social security benefit in calculating her pension benefit. Because women have, on the average, lower earnings than men and because social security benefits are weighted in favor of the lower paid, women are more likely than men to be "integrated out" of the pension plan or receive very reduced pensions.

Betty Thomas of Austin, Minnesota, thought that she had earned the right to a pension worth $72 a month. But her pension plan customarily subtracted 50% of a worker's social security benefit. Half of Ms. Thomas' social security benefit was $99. Once this amount was applied against her $72, she was left with the vested right to a pension worth zero dollars per month.

Many plans give more weight to the later years of work than to the earlier years. This method of figuring benefits, called backloading, benefits employees who stay with the company the longest. Because women tend to have shorter periods of service under plans than men do, they are hurt by backloading. For example, a plan may specify that each of a worker's first ten years may be worth $10 a month, the next ten years worth $11, and the 21st through 40th years worth $12 each.

5. A worker who remains in the workforce late in life may be prevented from earning an adequate pension simply because of her age. Plans do not have to give additional credit toward the amount of a worker's pension once she reaches age 65. Although the federal Age Discrimination in Employment Act is designed to protect workers up to age 70, the law has a special exception for employee benefit plans. This means anyone who works past age 65 may find her benefit frozen at that point.

6. Benefits typically do not increase with inflation. A retiree entitled to a pension will probably receive the same amount for the rest of her life. Only about 3% of plans have built-in cost-of-living adjustments. Another small number of plans give ad hoc increases as they can afford to. Of course, most plans could not afford to fully compensate their retirees for every year's rise in inflation. But there are plans that can afford to give some increase. However, many employers with surplus assets in their pension plans have chosen not to use the money for cost-of-living increases but as a windfall to the company. In the last few years, various plans have been terminated simply to allow employers to seize the pension fund surplus and plow it back into the company. As of this date, $2.2 billion has been recouped from employee pension plans, and approximately $1 billion is waiting for recapture, as soon as government agency permission is granted. Once a plan is terminated, the company purchases an annuity for each retiree equal in value to what her pension benefits were to be. But once this is done, there is no possibility of the retiree ever receiving any cost-of-living increase. Because women are more likely than men to spend their retirement alone and in poverty, an adequate pension is essential. Some employers view pension funds as a source of capital to invest in the company rather than funds belonging to the workers and retirees. As long as employers take this view a retired woman worker who is lucky enough to receive a pension can be assured it will only decline in value over her life span.

* * *

Ensuring a decent retirement for men and women is precisely why we have a pension system so heavily encouraged by tax policy. It is the logical source to supplement inadequate social security benefits.

Employers don't have to set up pension plans, but they do, largely because pension plans represent a substantial tax shelter. Contributions to a qualified pension plan are tax deductible and income earned by the fund is not taxable to the plan. Since huge tax breaks are given to these plans, we think it is entirely reasonable to insist that older women workers have a fair chance of receiving an adequate pension at retirement. Because even if a woman doesn't get a pension, she is paying for others who do. As a worker, she is receiving lower wages in exchange for employer contributions to a pension fund, whether or not she has any hope of ever collecting a pension. As a taxpayer, she, along with other Americans, pays billions of dollars more in taxes to make up for tax breaks enjoyed by private pension plans.

Pension law should reflect the real work patterns of women today. An important first step toward improvement went into effect this year. Through TEFRA, the Tax Equity and Fiscal Responsibility Act, Congress recognized that women working as nurses and secretaries in small offices all over the country were not getting the pensions they needed, the same pensions they were paying for with salaries and taxes. Workers on the job three years or more will have to be provided a minimum benefit by certain plans defined as "top-heavy," those that pay 60 percent or more of the benefits in a particular year to "key employees."

All working women, especially older women, need similar protections, such as vesting provisions that more nearly reflect their mobility, and an end to the practice of social security integration that drastically limits the amount of their benefits. Discrimination on the basis of age should not exist in a fair retirement system.

We hope this Committee will consider the inadequacies of current private pension law and recommend changes on behalf of older women workers.

Representative Snowe. Thank you, Ms. Moss. Ms. King.

STATEMENT OF NANCY R. KING, DEPUTY DIRECTOR, CENTER FOR WOMEN POLICY STUDIES

Ms. King. I am pleased to be here, and I'd like to thank you for inviting me.

I am deputy director of the Center for Women Policy Studies. Although my academic and professional background is in the area of gerontology, my particular area of expertise has been in the issues and the problems of very old women, most of whom are not in the work force, but whose resources are very much determined by their working family histories. Before coming to the center, I was coordinator of long-term care systems for a county welfare agency, director of a long-term care demonstration project funded through Medicaid, which attempted to keep frail, elderly, mostly women, in the community and out of nursing homes. And also I was director of a long-term care ombudsman program at an Older Americans Act, title III-funded program also in a small community in California.

I have been asked to discuss two very large and important issues concerning older women: Health care and Social Security. I was particularly asked to discuss the problems of medicare. If these Federal programs affect retired women more than working women, I am convinced that the solutions to the problems in both medicare and Social Security must begin in midlife, if not before. In my prepared statement, I have provided quite a bit of background information and statistics, much of which you have heard already, and what I'd like to do is summarize that very briefly, just repeating some salient points. I will spend most of my time discussing medicare and Social Security and the problems in those systems.

You have already heard the litany of numbers about the growing aging population and especially the growth of older women. I'd like to point out that the predictions in growth, especially of the 85 and above age group, estimate that by the year 2050, over 60 million people will be in that age category. That is the same number of people that were in the total aging population when medicare and medicaid were first introduced, and I think that is a statistic that we will have to contend with.

In the last decade, the growth of that 85-plus age category was comprised of 80 percent women, and that's a pretty striking statistic.

In my statement I discuss mortality rates, and I think the important point here is something that we all know, that males have much higher mortality rates than females throughout the life span. And this, of course, is one reason for the huge differences in longevity between women and men. One particularly interesting statistic that I found was that the gender difference in age-adjusted death rates between 1940 and 1978 increased from 22 percent to 73 percent in favor of females, and that seems to be a growing trend. However, decreases in mortality for women do not necessarily indicate that those who are living longer are living in good health. As a matter of fact, many women are living longer in good health than ever before, but just because of the very great numbers in older categories, we are also looking at a large number of people with very significant health problems.

As you know, most of those problems are related to chronic illnesses, those diseases which begin to develop early in life and progress through several presymptomatic stages before they become manifest, usually in mid to late life. In men, it's often closer to midlife; for women, it takes longer for those diseases to develop. These are the health problems for which the traditional health care system has not been designed to provide care.

Men and women experience chronic illness very differently. Men tend to die rapidly, progressing more acute forms of chronic illness, particularly heart disease and cancer, although I think it is very impressive regarding the declines in the death rates from heart disease among men in the last 10 years. By the way, heart disease is also the leading killer of women, and I think that we need to start claiming heart disease is a very important health problem for women. Much of the biomedical research in that area is only done on men, and I think that is a big mistake. By age 85, almost all older women and men have a number of chronic illnesses. They often exacerbate one another, compound one another and provide a host of challenges to the health care system and also the social services system, in terms of treatment.

I have listed—and I think I will just mention that in my prepared statement, I do have some statistics on differences in chronic illness rates. The rural aged tend to have more chronic impairments than people who live in urban communities. I frankly don't understand the reasons for that. People in low-income categories—and I think this is throughout all age groups, but certainly there is a very strong trend among the elderly—have many more and more severe health problems than people with higher incomes. And I think that there probably are a complex range of factors contributing to that.

I found in at least two sources a citation, a research finding that employed women seem to be much healthier than women who are not working for wages. And I think that that's also very interesting. Educational level seems to be related to health and disability rates. The more education one has, the healthier and more vigorous, not disabled, that person tends to be. Of course, debility rates increase with age. It seems obvious to me, that's mostly due to chronic illness that I have discussed before. And those, of course, are particularly important to women.

I have mixed feelings about talking about the health status and the health care problems of women, because there is such a strong stereotype that older women are sick and disabled, and I think that's one excuse used by employers for not hiring them.

I'd like to point out that when you're talking about 40 million-plus people between the ages of 45 and the end of life, that that's an extremely heterogeneous group. It's very difficult to make any kind of a statement that accurately would apply to most of those people. Clearly, in the middle-range ages, women are healthier than men; they have lower rates of disability; they have less severe disabilities when they are disabled, and yet health care is not used in the same way to prohibit employment opportunities for men in this age group as it is for women.

On the other hand, I think that we need to recognize that as we age, there are more and more severe health problems that afflict both women and men. There are one-half million women—I think my testimony states—between the ages of 45 and 64, who are severely disabled, and of course, there are many more who are in various states of ill health between complete disability and complete good health. And we certainly need to address their problems and provide for those people in our public policies.

In my statement, I talk a little bit about marital status and living arrangements. This is a critical area in health care planning, the fact that five out of six older men live in family settings; more than three-quarters are married, they live with their wives who provide a great deal of informal health care. Most older women, of course, especially in the upper ages when they have the most health and mobility limitations, are widowed and most of them do live alone and do not have the same access to family support that men do.

By age 75—I think this is set forth—74 percent of women are widowed, compared to men. Again, there are racial differences that are important to be considered. I've also given some income statistics. These will be important in considering not only changes in Social Security and private pensions, as Anne Moss has indicated, but they are absolutely critical when it comes to designing medicare and medicaid policies, and health and income go hand in hand. It's very difficult to separate those two issues.

In 1981, just briefly, the income of women over 65 was $4,700, only $400 above the poverty level. Also in terms of looking at the income and the poverty problems of older women, I think we need to look at the fact that a lot of essential services and essential needs increase in cost with age, and health care, of course, is a prime example of that. Older people pay almost three times more than the people in the 19–64 age category on health care costs. And the data which I have included here does not indicate that millions and millions of older people are not getting the health care that they need.

I think that's largely a result of our inadequate policies and, of course, health care needed but not bought is not reflected in the cost categories, which are astronomical, but in my view, much too low.

I have talked briefly about the caregiving role that midlife and sometimes older women assume. It's been discussed several times before, and I don't think I'll go into it now. I would like to make the point that when a women who is, say, in her 50's, is required to forgo full-time employment in order to provide caregiving responsibilities for her husband or parent or in-law or disabled child or grandchild, or whatever family member is dependent, that she is losing a critical opportunity to develop credits toward her own retirement income, and that this is part of the cycle of women's poverty, that especially shows itself in old age.

I go into some discussion of the various categories of health care affecting older women. It should not be surprising that older women and men use medical services more frequently than younger women and men do.

I was surprised that gap wasn't larger than it is. Public Health Service data show persons over the age of 65 average six physician visits for every five made by the general population. I think that's actually small and may again indicate more what isn't occurring in terms of health care for older people than what is.

It was also interesting to me the different health care behaviors of men and women. Women visit physicians more frequently for diagnostic screening and preventive care than men do. That may well be a factor in their longevity.

The elderly, of course, use acute care hospital services more than younger people. The usage of those services has increased more than 50 percent since the enactment of medicare, which encourages the use of acute care hospitalization rather than other forms of care and the average length of stay in hospitals increases with age.

I think it is also interesting that women, once hospitalized tend to stay hospitalized longer than men. And I think this is a direct result of the fact that when the hospital is considering discharge that women do not have a caretaker at home to provide postoperative care, whereas men generally do. I think that is a factor in considering a prospective pricing system and DRGS which are now being employed in order to contain medicare costs. And I'll talk about that a little bit later. But I wanted to make the point that women do stay and need to stay in hospitals longer than men.

I have provided my view of the whole long-term care system which I have characterized as a nonsystem. I think that these services, health care services, social services, and personal care services, are absolutely critical. I hope it will be one of the major areas of national policy debate in the next several years. Certainly we are going to have to address what is happening and more to the point, what's not happening in terms of long-term care.

I have had the opportunity to work in many fine community programs. I know it can be done. I also know how the current Federal reimbursement system sets up a noncooperative working arrangement in the community by sort of building in turf battles and all kinds of unnecessary counter-productive results at the community level and I would like to see that addressed.

I will move on to medicare, which has become a big policy issue largely because the hospital insurance trust funds are looking like they might be depleted in the next several years and there is nothing like a zero fund balance to scare this Congress into action, and if that's what it takes, OK. But I hope, as we address medicare and as we debate medicare, that we will not stop with the financial issues which obviously are acute and obviously need a solution. And yet, in just looking at it in terms of cost, I think will certainly not do the job.

I have characterized the kind of medicare which, by the way, I feel is one of the most important public policy programs for the aged. Benefits that are provided are critical, and I don't mean to indicate in any way that they are not. However, medicare is certainly not doing the job it was intended to which was essentially to protect the elderly against the rising cost of health care. I feel that that role was too narrow, that medicare never really addressed issues of quality care, the issues of appropriate care, the issues of accessibility of care from the low income, the coordination with other public program which provide social services which are supportive in terms of health care.

The whole problem with the immigration between medicaid and medicare and the fact that medicaid essentially covers for one component of the health care system that the elderly depend on so heavily in the medicare coverage and means testing and all the complex requirements on eligibility just made it a very—it's just a morass in terms of policy problems and believe me they all translate very directly into really inadequate care at the local level.

My feeling and what I tried to make clear—and I'm going to be very brief and hopefully you'll come back with questions so that I can fill in with some more specific information—is that medicare is designed and actually contributes to higher public costs for health care. It essentially does not cover chronic care. It is best in terms of its coverage of care provided in acute care hospitals that by and large while it's an important component of the continuum of care that's needed by older people, that is not the primary need. It forces people to go to hospitals to receive very expensive care that could be provided at a lower cost in the community, in the clinic, sometimes even in the home through home health service monitoring.

The reimbursement schedules have encouraged extremely high rates in terms of providing service at the community level. In the program that I worked for in Santa Cruz in order to get an RN to come to a person's home to do a blood pressure check, if it were covered by medicare, we have to pay $75 for one visit and they don't break it down by the hour; they just call it a visit. So if they are there for 10 minutes, it's $75.

We found that we are able to deal with community agencies who could not receive medicare reimbursement who could provide that very same service for $20, and I think that it's essentially the community agencies are taking advantage of the public largess and I think that that's something you have to look at—those incentives.

I'd like to make the point that medicare's reimbursement mechanisms also are discriminatory toward low income and of course that's primarily older women and minorities. Both the low assignments rates it's found now, only 52 percent of doctors accept assignments and are able to bill directly the older person for costs over the medicare rate, and also the cost sharing devices, all of its deductibles, the coinsurance requirements and the premiums are flat rate costs and therefore have a very regressive bias against the low income.

The New York State Office on Aging did an interesting report. They found that per capita out of pocket health care expenditures for the elderly comprised 13 percent of the mean income for the entire older population. However, older women paid 17 percent, older Blacks 23 percent, and older Black women a full 27 percent of their mean income on health care out of pocket.

It's estimated that in 1985—and that's just next year—the elderly will be paying more of their income for out of pocket health expenditures than they did prior to medicare's enactment in 1965. And I have provided some supporting data on that. I am distressed and I want to express my distress at the recommendation of the Advisory Council on Social Security which has essentially recommended that medicare eligibility be narrowed and that costs be raised for elderly beneficiaries. I think that this would have a devastating effect on most older people but, particularly, older women and I think that that would mean basic health care which is already inaccessible for many, will be totally out of reach.

I have also made some comments on the voucher system and my feelings and my fears about instituting that system. I have talked about the perspective reimbursement system which I think has promise. I think it's going to be interesting to watch how effectively that is in terms of containing hospital costs. I do have concerns about that being applied unilaterally without taking into account gender differences in health problems and in health care needs. But I think it's really too early to tell.

I included an observation about the prospective reimbursement system that medicaid has been using for nursing homes and it has had the effect of limiting access by people with very severe illnesses to nursing homes. In effect, essentially there are more people who need that care than there are beds and that really allows nursing home administrators to choose their patients from among the many on their waiting list, and they will frequently reject those that are too costly. A lot of those individuals then are forced to be kept at acute care hospitals and if medicare cuts them off, I really worry about what is going to happen to those people.

I have also mentioned very briefly recent legislation making medicare the secondary payer for workers between the ages of 65 and 69 who are covered in a private group plan. This should also reduce costs to medicare but not necessarily to health care consumers. It may also have the unintended effect of limiting older women's employment opportunities. Companies, especially those that are self-insured, which is a going trend, may not be willing to assume the risk of hiring and therefore ensuring older women and bearing the cost of their health care.

Those regulations also require that a spouse covered under the workers private policy between the ages of 65 and 69 also rely on medicare as a secondary insurer and given the potentially very expensive health care required by men in this age category, this may be a further deterrent to women's employment opportunities.

I have talked a little bit about medicare. I feel like I'm taking too much time here this morning, but these issues are very complex. I think that my basic point here is that medicaid provides many, many critical services for older women. However, I feel that those services should not be only made available when a woman spends down her income to a point of abject poverty.

I think the kinds of care that medicaid covers should be available to people at all income levels and certainly they are not. Also medicare and medicaid is complicated in that it's a Federal/State program and there are different eligibility criteria and benefit coverage categories in each State. There has been a growing trend to limit coverage over the years because essentially the States are having the same financial problems that the Federal Government is experiencing.

Representative SNOWE. Ms. King, excuse me. Why don't we go into questions. I'm a little concerned that I'm going to have to vote, so I'd like to get to the questions.

Ms. KING. I'm sorry. And I haven't even gotten into Social Security.

[The prepared statement of Ms. King follows:]

PREPARED STATEMENT OF NANCY R. KING

I am Nancy King, Deputy Director of the Center for Women Policy Studies (CWPS). The Center was established in 1972 as the first national policy institute to specifically and exclusively examine policy issues affecting women. In 1980, the Center received a grant from the Ford Foundation to develop a particular focus on older women. Among the several CWPS projects currently underway is the development and dissemination of a plan to bring gender equity and adequate benefit levels for women to the Social Security system through the implementation of earnings sharing. This project is supporting the work of a Technical Committee comprised of experts on the issue of women and Social Security and is being conducted in cooperation with the Urban Institute with support from the Ford, Rockefeller, and Villers Foundations. I will briefly discuss the work of that Committee today.

I have been asked to discuss the two largest and most complex areas of federal policy concerning older women: health care and Social Security. Because there has been considerable analysis and debate of the problems of women under Social Security, including several Congressional hearings chaired by Representative Mary Rose Oakar, I will discuss this issue only briefly. I hope that this will in no way diminish the importance of Social Security for women in your minds, for Social Security is the federal policy issue that will have perhaps the greatest impact on the future lives of working women. I will focus this discussion on the health care problems of older women, and the federal programs that govern that care, in particular, Medicare.

I. INTRODUCTION

The graying of America is no longer a new phenomenon. Sophisticated sciences of gerontology and geriatrics have been developed to examine the process of aging, and to respond to the challenges that that process presents to aging individuals, their families, and society at large. Federal policy-makers have been struggling with that challenge for decades. Impressive advances have been made and vast public resources have been allocated to provide economic security and essential services to this huge and growing group.

Social Security and Medicare have been by far the most ambitious and significant programs established to ensure an adequate quality of life for America's elderly. Today, they provide essential benefits to nearly 95 percent of this population. Unfortunately, for many, the initial purposes of Social Security and Medicare have not been met. As the structure and composition of the aging population has shifted, huge gaps have developed in these security nets. Due to a combination of biological, social, and political factors, those who fall through those gaps are most likely to be women.

II. BACKGROUND

Demographics

Throughout this century, older people and, in particular, older women have comprised the fastest-growing segment of the United States. In 1900, the three million people who were aged 65 or over comprised only four percent of this country's population and men outnumbered women by a narrow margin. By 1980, the elderly had increased to over 25 million representing 11 percent of the U.S. census; there were nearly one-third more women than men.

Because of significant and growing differences in life expectancy, 60 percent of older people are women, and the ratio of women to men increases with age. Women comprise 65 percent of persons over the age of 75, 70 percent of those over the age of 85, and 73 percent of those over age 90.

The older population is itself aging rapidly. The 85 and over group shows an especially rapid rate of growth, up 165 percent from 1960 to 1982. Women accounted for almost 80 percent of the increase in this population between 1970 and 1980. This 85-plus group is projected to jump from its current one percent of the total population to over five percent in 2050, representing over 16 million people, as many as the total 65-plus population in 1960 when Medicare and Medicaid were being designed. If current mortality rates continue, this feminization of America's elderly will increase substantially.

These figures are not statistical estimates. Most of these future elders are already born; they are those of us in this room, our children, friends, and constituents. Americans that will reach age 65 by 2050 will be born next year. Some are already receiving health care, prenatally.

Life Expectancy

A baby born in 1900 could expect to live only 49 years; by 1981, life expectancy for a newborn had almost reached 74. In 1930, only half of all babies were expected to live to age 65; by 1981, over three-quarters of all newborns could expect to reach that age. Life expectancy differs significantly by gender and race. A 65-year-old woman in 1978 could expect to live 18.4 years until age 83. For men, life expectancy at age 65 was 79 years, an additional 14 years. Whites can expect to live longer than Blacks although this gap has narrowed substantially: in 1940, the difference between Whites and Blacks was 11 years and by 1978 this difference had been reduced to five years. Most of this discrepancy is manifest in early life; the difference at age 65 is small and has been for decades. In fact, after age 75 life expectancy for Blacks is higher than for Whites.

Improvements in life expectancy are the result of reductions in death rates across the lifespan. During the 25-year period between 1953 and 1978, death rates for the 85-year-old and above group declined almost 20 percent; that decline was weighted toward the end of that period indicating an acceleration of that trend. Whereas reliable predictions based on these data cannot be made, these trends will not be quickly reversed and portend a continuing and substantial growth in the numbers of our long-lived citizens.

Mortality

The crude death rate in the United States stands at historically low levels. The rate, which declined generally during the first half of this century, rose slightly in the 1950s and '60s and then resumed the downward trend. Age-adjusted death rates which show what the level of mortality would be if no changes occur in the age composition of the population from year to year are also at record lows. Age-adjusted death rates are higher for males than for females and they are higher for minorities than for Whites. The difference in the rates for males and females has been increasing over time, while the difference between racial groups has been narrowing slowly.

Major causes of death for both women and men have changed dramatically. Early in this century, most deaths were caused by acute, infectious illnesses such as influenza and pneumonia. Rates of infant and child mortality were high. Americans today are dying from chronic diseases, especially heart disease, cerebrovascular disease, and cancer -- conditions that become fatal in late life. Now, seventy percent of deaths occur after age 65.

While death rates have fallen for both men and women, the rates have declined at a faster pace for women. The gender difference in age-adjusted death rates between 1940 and 1978 increased from 22 percent to 73 percent in favor of females. If these trends continue, women will continue to outlive men and at a growing rate.

Mortality trends not only have major implications for the numbers and proportions of older people but for their health care needs as well. Decreases in mortality do not necessarily indicate that those who are living longer are living in good health. In fact, for those who live to very great ages, health problems increase, are complicated by combinations of interacting conditions and treatments, and are frequently severe.

Morbidity and Disability

Whereas older women and men suffer from the chronic diseases associated with old age, their health patterns and health care needs are significantly different. A variety of indicators point to more health problems for older women than for their male peers. Older women have a higher prevalence of chronic disease and are more likely to experience limitations in their activities because of chronic conditions. Arthritis, heart conditions, hypertension (without heart involvement), and visual impairments are the most common limiting conditions.

Whereas men die of rapidly-progressing, more acute forms of chronic illnesses, women live with them as slowly-progressing, long-term, disabling conditions. By age 85 most women have several coexisting chronic diseases that interact with and compound one another. The development of one disease may contribute to the onset of another.

According to data from the National Health Interview Survey, women report higher prevalence of hypertensive disease than men, also arthritis, diabetes, anemia, thyroid conditions, visual impairments, osteoporosis, and a host of other conditions. Among older women, the prevalence of chronic illness varies by race. Hypertensive heart disease, heart conditions, and arthritis are more frequent among older Black women than among older White women.

The prevalence of many chronic impairments is significantly greater among the rural aged. These differences persist after controls for age, gender, and race.

People in low-income categories have worse health than people with higher incomes. In 1976, about half of the population aged 45 to 64 years of age with family incomes of less than $5,000 were limited in their usual activity because of a chronic condition, compared with about one-sixth of the population with incomes of $15,000 or more. Similarly, people aged 45 to 64 years of age with low family incomes had more than three times as many bed-disability days per person as people with higher incomes.

In their study of aging in Texas, Blau et al found that employed women felt the healthiest and reported the least physical limitation. They also rendered more services to their children perhaps, Blau reasoned, because they had greater economic resources. Data from the National Health Interview

Survey reported the same finding among women of all ages. Equal employment opportunity appears to be a health concern.

Educational level is also related to health and disability. Of people with less than a high school education, 20 percent report being unable to perform their usual activity.

Disability rates increase with age. Seventy-five percent of disabled people are over the age of 50. Among women aged 45 to 64, 77 percent have no limitation of activity due to a chronic impairment; however, over five million women in this age group do and about one-half million of those are unable to carry on their major activity. Among women over the age of 65, 56 percent have no limitation in activity, leaving six million women who are limited, one million of whom are unable to carry on their major activity.

Disability rates for men in the 45 to 64 age category are higher than rates for women in that age group. Their numbers, however, are comparable. Men show more severe degrees of disability than women.

It is clearly inaccurate to stereotype midlife and older women as weak and incapacitated. Most women are vigorous and healthy well beyond the traditional age of retirement. Ill health and disability is not a valid reason for restricting older women's employment opportunities. However, due to accidents, genetic disorders, and serious illnesses that sometimes strike people in their prime, some midlife and older women have health conditions that preclude them from financially supporting themselves and their dependents. These women require access to health care and, perhaps, public assistance. We must not fail to recognize the diversity within this large age group and provide appropriate opportunities and assistance for all women and men along this broad continuum of health and health care needs.

Marital Status/Living Arrangements

Women and men have vastly different marital patterns and living arrangements in retirement. Five out of six older men live in a family setting; more than three-quarters are married and living with their wives. However, only two out of five older women are married, and most live alone. Of the seven million elderly persons living alone in 1982, most were women. Two out of five older women live alone in comparison to one in seven older men. Of those aged 75 and over, half of the women and about one-fifth of the men live alone.

Over half of all women over the age of 65 are widowed in comparison to only one out of eight older men. By age 75, nearly 70 percent of women are widowed compared to 20 percent of older men. These differences are due to both the higher death rates of men and to the practice of men marrying younger women. Men who are widowed, even in very old age, frequently remarry whereas women do not. The rate of remarriage is seven times higher for men than for women in the over-65 age category.

Elderly White males have the highest probability of being married and elderly Black females the least. Black women are also most likely to be widowed, and White men least. Black women and men are much more likely than Whites to be single, separated, or divorced.

Income

In 1981, the median income of women aged 65 and over was $4757, only $400 above poverty. The median income for older men during that year was $8,173. The median income for older Black women was only $3,500, and four out of five older Black women had incomes of less than $5,000 annually compared to about one-half of Black men and one-fifth of White men in the same age group. Women represent nearly three-quarters of the aged poor.

Comparisons of income between older persons living alone and those who live as part of a family or multiperson household show that those living alone have significantly less income. Some of this difference is due to the fact that the number of people living alone increases in the older age brackets when income is the lowest: fixed sources of income that may have been adequate at the time of retirement are devalued by inflation, and other assets are depleted. The loss of a spouse and his income is another critical factor in the income status of older women. Single women are the most likely to live in poverty. One-fourth of elderly "unrelated" individuals had incomes below $4,000, and another quarter had incomes between $4,000 and $6,000.

Women who are poor in old age are not aged welfare recipients. They are, by and large, outcasts of the great American middle class. They are the women who have grown with this century, the young mothers of the depression, and the factory workers of World War II. Most of their work was not done for wages and largely because of the design of public and private retirement policies, these women were passed by when retirement benefits were distributed. Limited access to adequately compensated employment for women who did work for wages further ensured low retirement benefits. Poverty in old age is the price that these women paid for fulfilling their socially assigned and approved roles.

The longevity of women is a contributing factor to their economic hardship in old age. Especially during a period of economic inflation, the value of fixed incomes is seriously eroded. Even Social Security benefits, among the few retirement benefits that are indexed, do not keep pace with the real increases in costs of living for most elders during an inflationary period.

Certain costs of living can be predicted to increase with age. Health care is the prime example. In 1981 the average expenditure for health care services for a person over the age of 65 was over $3,140 in comparison to $828 for those under age 65. These figures reflect actual costs and not the cost of health services that are needed but not purchased simply because elders cannot afford them. Health care costs are likely to escalate with advancing age as chronic illnesses progress and multiply, requiring increasingly expensive treatment approaches and care.

As these illnesses become disabling which most inevitably do, additional personal care and social support is required. Whereas most older men can rely on their wives to provide this assistance, older women must turn to professional services, many of which are not reimbursed by public or private insurance programs. After an older woman spends down her savings and other assets, she may become eligible for Medicaid and other publicly-supported services (such as those funded by Title XX). These cover many components of the long-term care continuum; however, not without a cost. Medicaid's institutional bias is likely to prematurely and perhaps unnecessarily force older women into nursing homes for lack of adequate, affordable, community-based alternatives.

Caregiving

Midlife and older women are acutely affected by the health problems of family members. When their husbands, parents, parents-in-law, adult children, and grandchildren become ill or disabled, they are frequently called upon to provide care. For the impaired elderly, eighty percent of the home care is provided by relatives, usually by adult daughters. One national survey of family caregiving indicates that in 40 percent of the situations in which an impaired elder parent lives with an adult child, the time consumed in caregiving is equivalent to a full-time job. In the majority of cases, care is provided only by the family without involvement from community agencies. As a parent's functional capacity wanes, involvement of the family caregiver increases.

These responsibilities frequently prevent midlife women from working in the paid labor force and thus developing credits toward their retirement income. For each year spent out of the paid labor force (over five which she probably used caring for young children), a zero is averaged into her earnings record in calculating her Social Security benefit. Because of break-in-service rules, she may also lose accrued credits toward private pension benefits. Family caregiving, while significantly reducing public medical and other service costs, thus contributes to the cycle of poverty for aging women.

Ambulatory Care

Due to their higher incidence of chronic illness, older women and men use medical services more frequently than younger people do. Persons over age 65 average six physician visits for every five made by the general population; they are hospitalized twice as often and when they are, stay twice as long. The elderly use twice as many prescription drugs as younger adults.

Data from the National Ambulatory Medical Care Survey indicate that women visit physicians more frequently for diagnostic, screening, and preventive care than do men. Women also tend to seek health care more frequently for some of the same conditions that men have. For example, the physician visit rate for women with hypertension is 27 percent higher than that of men with the same condition. This may be a factor in women's lower mortality rates.

While ambulatory care is provided primarily in physicians' offices, low-income individuals, members of minority groups, and residents of the core counties of metropolitan areas obtain a greater than average portion of their care from hospital outpatient departments and emergency rooms.

Short-stay Hospitalization

Since 1965 when Medicare was enacted, the elderly have increased their use of short-stay hospitals by more than 50 percent. The average length of stay in hospitals increases with age. This reflects the severity of the illness, the length of time needed to recover from the illness, and also that the fact that the very old, most of whom are widowed women have no one at home to provide care when they are discharged. Single, widowed, and divorced older women have a higher average length of hospital stay than married women.

Black older women have a significantly higher average length of stay in hospitals than White women. This difference may indicate that the conditions of elderly Black women are more serious, and perhaps that they enter hospitals at later stages of illness than White women. People in families with low incomes are generally hospitalized more often and, once hospitalized, remain in the hospital longer than people with higher incomes. Older women are more likely to be discharged from a short-stay hospital to a nursing home than older men. This, too, is a result of their lack of a family care provider.

Long-term Institutionalization

Only five percent of the elderly live in a long-term care institution; however, one out of four older people will live in a nursing home at some point during their lives and the probability is twice as great for women than for men.

Among women aged 85 and over, one in four reside in a nursing home in comparison to one in seven men of that age. Almost 80 percent of older female nursing home residents are widowed in comparison to 46 percent of elderly male residents. The rate of nursing home use by older White women is about 72 percent greater than that for older women of Black and other races. This lower rate is not only due to their shorter life span, but also to the greater use of informal home care by minorities. It may also result from discriminatory practices in patient selection. Older women, on the average, stay 401 days in a nursing home in comparison to 293 days for men. Eighty percent of the institutionalized elderly have below poverty incomes. The risk factors for long-term institutionalization include being poor, being widowed, being very old, being white, and being female.

Although the average nursing home resident has more than one disabling condition requiring some medical monitoring and care, their primary needs are for personal care and supervision. These services have been demonstrated to be more cost-effective, causing far less trauma to the older person, when provided in their own home. Rather than promoting rehabilitation and movement back into the community, nursing homes have been shown to contribute to accelerated physical and mental decline. Studies have demonstrated that even "good" institutions produce dysfunctional, senile, and withdrawn behavior in the elderly.

Long Term Care

The types of health problems that older women develop require an entirely different treatment approach than the traditional health care system provides (i.e. acute care for episodic, curable illnesses). Complete recovery from chronic illness is unlikely and treatment methods that maintain a patient at her current level of functioning or even slow the progress of disease can be seen as successful. The chronically ill require access to a continuum of health care and personal care services that allow them to progress through the broad spectrum of acute care to chronic care services according to their changing conditions and needs. Service needs may include occasional homemaker services to provide assistance with personal care (dressing, bathing, etc.) and household tasks (laundry, meal preparation, etc.), home-delivered meals, transportation to services and shopping, medical monitoring, physician visits, geriatric day care, and possibly life-long institutionalization.

Long-term care has been defined as a coordinated continuum of diagnostic, therapeutic, rehabilitative, supportive, and maintenance services that address the health, social, and personal needs of individuals who have restricted capacities for self-care. Services may be provided by professional providers, paraprofessionals, family members, or volunteers; they may be continuous or intermittent. It is generally presumed that they will be needed for the long-term, often throughout the remainder of the individual's life. Optimally, services are designed to utilize and strengthen the frail elders' capacities and strengths in order to encourage optimum physical, social, and psychological independence in the least restrictive environment possible.

The programs that now exist to help the frail elderly have developed incrementally. This piecemeal growth has had the effect of fragmenting and complicating the delivery of long-term care. In addition to presenting problems in availability of and accessibility to health and social services to frail elders, organizational and administrative problems plague the long-term care system. In California alone, at least four state agencies and 17 state governmental departments administer approximately 29 different categorical service programs for the frail elderly. Billions of state and federal dollars flow through complex administrative networks which are largely artifacts of legislative mandates.

As yet, no centralized policy or administrative structure exists to ensure that these resources are applied in a consistent, coordinated, and equitable manner to effectively address the needs of the elderly. Each categorical program has its own eligibility levels, coverage limitations, administrative structures, and access points. This fragmentation results in an effective, inefficient, inaccessible, and inequitable delivery of services to elderly health care consumers.

III. FEDERAL HEALTH CARE POLICY

Members of this committee and other federal policymakers face a critical challenge to redesign this nation's entire health care and social service system in order to prevent chronic illness where possible; provide quality, affordable, and humane care to those who already suffer from its symptoms and consequences; and reduce the human and financial costs of poor health.

The two federal programs that most affect the health status and health care of the elderly are Medicare and Medicaid. Both passed in 1965, these programs have changed the rules and market incentives of our entire health care delivery system. The result has been higher health care costs for all. Between 1965 and 1977, the years following enactment of Medicare and Medicaid, public expenditures for health care rose at nearly twice the rate of private expenditures. By 1977, public expenditures accounted for 42 percent of all spending for health care, up from 25 percent during the years preceding implementation of Medicare and Medicaid.

Of the $3,140 average health care expenditure of people over age 65 in 1981, Medicare paid 45.3%; Medicaid paid 13.7% (including about 50% of nursing home care); other public programs (veterans benefits, etc.) paid 4.9%; and private health insurance and out-of-pocket expenditures, $36.1%.

Medicare

Medicare has become the largest purchaser of health care in the world and is second only to Social Security as the nation's largest entitlement program. It was projected to spend over 50 million federal dollars in 1983. Even if financially solvent, Medicare supports a system of health care delivery that undermines its original goal: to protect older Americans from the rising costs of health care. Through ill-conceived, inflationary, and regressive policies, Medicare has become a contributor to the health care problems of older people.

Sixty percent of Medicare beneficiaries are women. Due to their income limitations, family status and living arrangements, and unique health problems and patterns, women are particularly harmed by Medicare policies.

From the start, Medicare has been oriented toward short-term, acute care rather than long-term care for chronic illness and disability. Nearly three-quarters of its benefits pay for care received in acute care hospitals despite the fact that the health problems of the aging and the aged are chronic in nature. Thirty percent of Medicare costs go toward medical expenses in the last year of life, and half of these expenditures occur in the last 60 days.

Medicare has long been criticized for its failure to reimburse preventive care--physical examinations, foot and dental care, eyeglasses and hearing aids, and prescription drugs. Inadequate preventive care may result in an increased incidence of chronic illness, later diagnosis and therefore more costly treatment approaches, and an acceleration of the progress of chronic illnesses. These are likely to increase health care costs over the long-term and create dependency upon other public programs. It also robs the nation of the productive energies of a healthy and active elderly population.

Medicare's limitations in coverage for home care affect women as consumers and as caregivers. This policy limits older women's access to the full continuum of care and encourages them to seek expensive institutional care when home care may be more convenient, comfortable, and cost-effective. Lack of coverage for home care also increases the burden on family caregivers and fails to relieve the exhaustion and frustration that frequently accompany that role. The accumulating stress may make it impossible for family caregivers to continue in that role; this stress is infrequently but sometimes expressed in hostility and abuse toward the dependent parent. Geriatric day care, homemaker services, and respite care are essential supportive services for family caretakers and may make it possible for them to provide quality care over the long term.

Medicare's reimbursement mechanisms have encouraged abuse among providers and resulted in skyrocketing health care costs for all segments of the population, but most particularly for older women. Low assignment rates (it is estimated that only 52 percent of physicians accept assignment), and regressive cost-sharing devices (deductibles, coinsurance requirements, and premiums) and benefit distribution schedules place a disproportionately high burden of cost on the low-income, most of whom are women and minorities. The New York State Office on Aging reports that in 1981, per capita out-of-pocket health care expenditures for the elderly comprised 13 percent of the mean income for the entire older population: older women paid 17 percent of their mean income; older Blacks, 23 percent; and older Black women a full 27 percent.

The 1983 report of the Presidential Commission on Medical Ethics stated that 30 million Americans don't have means to obtain basic health care. It is estimated that in 1978, the cost of Part B (Supplementary Medical Insurance) premiums alone deterred nearly one-half million elderly persons from obtaining this coverage. Even with Medicare, access to health care for the elderly depends to a large extent upon income.

Medicare cost-sharing devices have steadily increased since 1966 and are scheduled under current law to continue to increase in future years. In fact, it is projected that in 1985, the elderly will be paying more of their income for out-of-pocket health expenditures than they did prior to Medicare's enactment. Out of pocket costs for Medicare cost sharing is estimated at $505 per enrollee in 1984. In addition, the average beneficiary will pay $550 for non-institutional health care.

Medicare covers only about 40 percent of the cost of health care for retired beneficiaries. Total out-of-pocket health care expenditures for the elderly have increased from $237 in 1966 to $885 in 1981, nearly one-fifth of the median income for women during that year. If these growth patterns continue, per capita direct expenditures will increase to almost $2,000 by 1990. If these direct costs were defined to include Part B and private health insurance premiums, the costs in 1990 will reach nearly $222,500. This will be more that half of the total income for millions of older women--especially the very old, those most in need of health care.

The Advisory Council on Social Security recommended earlier this year that Medicare eligibility be narrowed, and that costs be raised for elderly beneficiaries. This would have a catastrophic affect on older women and would mean for many that basic health care will be totally out of reach until they become sufficiently poor to be eligible for Medicaid. This would shift the cost burden from the federal government to state and local governments.

Increased cost-sharing requirements may cause a rush to purchase high-cost, low-benefit Medigap insurance policies. Many of these policies pay for little that Medicare does not cover and yet older women, fearful of being sick, alone, and unprotected by health insurance will be vulnerable to high-pressure sales pitches by Medigap insurers. Use of Medicare vouchers may also increase older womens' vulnerability to marketplace abuse and fraud.

Efforts are being made to control Medicare costs. 'A prospective payment system (PPS) has been introduced that reimburses hospitals for expenses according to categories of illnesses combined into diagnostically-related groups (DRGs). I feel hopeful that the prospective pricing system will prove effective in reducing hospital costs; however, it is too early to tell whether it will contribute to or undermine the goal of quality, humane, and appropriate treatment.

Medicaid instituted a prospective reimbursement system for nursing home care several years ago. It has had the effect of limiting access to nursing homes for people with severe and expensive health problems. Since in most areas the need for nursing home care is greater than the supply of beds, nursing home administrators can choose their patients and reject those that are too costly. And they do. This has had the effect of forcing prolonged care in acute-care hospitals at a higher cost largely borne by Medicare. If because of PPS limitations, the hospitals force them out, and there is no family member to provide care, where will these people go?

I am also concerned that the DRGs do not take into account gender differences in health problems and health care needs and that rates may not provide adequately for older women. They do not, to my knowledge, take into account the fact that women require more days of hospital care because they have no one at home to care for them during their period of recovery. Even if successful in attaining its goal of lowering hospital costs, prospective reimbursement will clearly not solve all of the problems costs, prospective reimbursement will clearly not solve all of the problems of Medicare.

The 1982 Tax Equity and Fiscal Responsibility Act (TEFRA) made Medicare the secondary payer for workers between the ages of 65 and 69 covered under a private group plan should also reduce costs to Medicare, but not necessarily to health care consumers. It may also have the unintended effect of limiting older women's employment opportunities. Employers, especially those that are self-insured, may not want to assume the risk of insuring older workers.

Those regulations also require that a spouse covered under the workers' private policy (and between the ages of 65 and 69) also rely on Medicare as a secondary insurer. Given the potentially very expensive health care required by men in this age category, older women's employment opportunities may be further jeopardized.

Medicare Recommendations

Although not intended to be a complete list, I would like to offer the following recommendations for improving Medicare for older women:

- provide coverage of preventive services such as regular physical examinations, outpatient drugs, and prescribed nutritional supplements, dental care, and foot care. I recommend a fully-covered complete physical examination upon enrollment to encourage early diagnosis of chronic and acute illness and effective treatment which should include consumer education on dietary and other health-promoting lifestyle changes.
- provide coverage for a full range of community based long-term care services such as homemaker services, geriatric day care, home-delivered meals, and other "alternatives to institutionalization." These

will not only reduce the public costs of institutionalization but will provide essential support and respite for family caregivers.

- provide coverage for case management for "frail" enrollees who do not have family members who can coordinate and monitor community-based long-term care.
- evaluate the effectiveness of highly technical diagnostic and therapeutic techniques from the perspectives of cost and comfort as well as the risks and benefits to elderly patients.
- promote administrative and financial coordination of health care and supportive services such as those funded under the Older Americans Act and Title XX. Consider integration of Medicare and Medicaid, especially for enrollees aged 75 and over, those most in need of long-term care.
- promote equitable distribution of health care resources regardless of race, gender, and income status. Cost- sharing devices should be placed on a sliding fee schedule weighted to assist low-income enrollees, guaranteeing them full access to basic health care.
- develop incentives for physicians to accept assignment.
- explore capitation reimbursement methods which are currently being tested in several demonstration projects throughout the country.
- develop incentives that will reorient the entire health care system to less costly, less technical, more preventive services that will result in permanent improvements in health, and reductions in health care costs for all Americans.

Medicaid

Older women who spend down most of their income and assets may become eligible for Medicaid which has much more liberal reimbursement and coverage policies than Medicare. However, it seems unconscionable that an elderly individual must reach abject poverty to become entitled to health care.

Medicaid, too, has an institutional bias. Forty-five percent of the cost of nursing home care is paid for by Medicaid. Medicaid policies make it more difficult for institutionalized elders to return to independent living. It is not uncommon for an elderly woman to enter a nursing home as a private pay resident and, when all of her financial assets are depleted by the enormous private fees, she will convert to Medicaid. If she is forced to sell her home, she may be relegated to life-long institutionalization even if she is medically able to be discharged. The rate of nursing home use by the elderly has almost doubled since the introduction of Medicaid.

Since eligibility criteria, scope or duration of services covered, utilization controls, and reimbursement rates differ among states, many older women who are eligible do not receive this needed care. Medicaid's welfare stigma acts as a further deterrent to eligible older women and men.

State and federal Medicaid policies have changed continually since the inception of the program. The total number of recipients peaked nationally in 1976 and there has been about an 18 percent decline since. Program changes have increasingly taken the form of service coverage reductions, more stringent eligibility standards, and efforts to reduce the volume and cost of services. Federal policy changes and the deteriorating fiscal condition of many state governments since 1981 have stimulated these program changes.

TEFRA provisions allowed copayments for almost all services; states were also permitted to place liens on the homes of nursing home residents under certain conditions. Additional changes under discussion relate to changes in Medicare and a possible federalization of Medicaid, in which the federal government would assume the financial liability for all or greater portions of that program.

Partially because of its federal/state structure, the impact and implications of Medicaid in the provision of health care to older women, has not been adequately examined. It is a critical program and needs to be kept under close scrutiny by federal policymakers. I believe that better coordination between and perhaps integration of Medicare and Medicaid is essential.

Private Health Insurance Companies

Before I leave the topic of health care, I'd like to briefly mention a serious problem faced by midlife women who are too young to be eligible for Medicare and yet are not covered by a private health insurance policy. The Older Women's League estimates that there are over 4 million women who have no access to health insurance and, therefore, health care because of a change in their family status. As wives of employed men, these women were once covered under their husbands' group plan and then lost that protection when they became widowed, divorced, or he retired and enrolled in Medicare while she was still too young to qualify. She may not be able to secure or hold a full-time job or one with a group health plan; a preexisting health condition may disqualify her from health insurance even if she can afford to pay the premiums.

Whereas health insurance, like all insurance, is regulated by the states, it is imperative that federal standards be established to ensure basic health care protection for these women. It is in the years between 45 and 65 that good preventive health care becomes critical. Annual pap tests, breast examinations, and blood pressure checks are among the many essential preventive health measures needed by women in this age group.

IV. SOCIAL SECURITY

Social Security retirement benefits are the principal source of income for women over 65. In fact, for over half of widowed, divorced, and never-married women (nearly two-thirds of women over 65 are in one of these categories), Social Security benefits are the only source of income. Approximately half of these women live at or near the official poverty line.

The average monthly benefit for a retired female beneficiary (December, 1983) who is earning Social Security benefits based on her own earnings record is $380 or $4,560 annually. The average women's spousal benefit (received by women whose husbands are still alive and who are not entitled to a higher benefit as a worker) is $220 monthly, half of her husband's benefit. Widows receive on the average $397 per month, and divorced women (receiving a divorced spouse's benefit), $229 monthly while her former husband is alive and $400 a month after he dies. The average Social Security retirement benefit for a man is $495, although if he is married as most are, this will be added to his wife's benefit of at least half the amount of his. Men are significantly more likely than women to have additional income from private pension plans and personal savings.

The treatment of women under Social Security has been the focus of considerable attention in the past few years. In 1977, HEW Secretary Joseph Califano established a task force to examine the problems of women under the Social Security System and to develop possible solutions. This task force and other study groups have produced a substantial amount of literature and debate on the issue, and legislative solutions have been introduced into Congress to correct the inequities identified.

The Social Security System was designed to protect the typical American family of the 1930's. That family consisted of a life-long wage earner, usually the husband, and a life-long homemaker who did not work for wages but rather managed the family home and provided daily care the couple's children and other family dependents. Their marriage usually lasted until one of the partners died.

This pattern has changed dramatically since enactment of the Social Security Act in 1935. These changes are due to changes in the social roles and attitudes, economic realities, health and longevity, and other factors. Today, most women work in the paid labor force for at least part of their adult lives; a substantial and growing number combine periods of unpaid work in their homes, usually when their children are young, with periods of work in the paid labor force. Although powerful barriers continue to limit women's labor force participation and restrict their wage-earning potential, more and more women are spending a significant and increasing number of their adult years in paid employment. This trend is expected to continue.

Divorce is common and has severe financial repercussions for women. It is clear that the family pattern upon which the Social Security System was based is no longer the norm. In fact, only about 15 percent of today's families fit this prototype. The system has not been adjusted to reflect these changes, and no longer meets the needs of most women. Following is a brief discussion of some of the major areas of inequity for women under the Social Security System.

Working women receive significantly lower Social Security benefits than working men. This is a direct result of women's lower labor force earnings and their intermittent work histories due primarily to years spent out of the labor force as homemakers and volunteers. Social Security benefit amounts are based on lifetime earnings. For every year over five that a worker spends outside Social Security-covered employment a zero is averaged into her earnings record for the purposes of calculating her PIA (Principal Insurance Amount) on which her benefit will be based. Since most women devote more than five years to unpaid family and community responsibilities, their benefits as workers are substantially reduced.

Women who combine homemaking and employment are affected by the dual entitlement rule. If a woman is married or divorced after ten years of marriage and has not remarried, and earned Social Security coverage as a worker, she is entitled to retirement benefits as either a worker or a dependent spouse, whichever is higher. If a woman earns less than her husband and works fewer years (as is frequently the case), her spousal benefit is likely to be higher than her worker's benefit. Thus the mandatory Social Security contributions that she makes as a worker will not be reflected in increased retirement benefits. The system does not allow her to combine benefits earned as a homemaker with credits earned as a wage earner.

A family with two wage earners will receive smaller benefits than a one-earner couple with comparable life-time earnings. For example, a one-earner couple that retires with an Average Indexed Monthly Earning (AIME) of $1,000 will receive a monthly benefit of $648--a worker's benefit of $432 plus a spouse's benefit of $216 (50 percent of the worker's benefit). A two-earner couple with a combined AIME of $1,000 will earn $544 monthly (if their earnings are comparable), a combined benefit of $272 each.

A widow of a Social Security-covered worker is eligible for a survivors benefit when she reaches age 60 (unless she is severely disabled in which case she can receive 50 percent of her husband's retirement benefit when she reaches age 50). If a widow elects to receive her benefit at age 60, however, her benefit will be actuarially reduced and remain at this reduced level for life. Because so many women are widowed before reaching age 65 and have limited employment opportunities, many have no choice but to accept Social Security benefits as soon as they become eligible. In fact, about 70 percent of women elect to receive Social Security retirement benefits before they reach age 65. The widow of a two-earner couple will receive a lower survivors benefit than the widow of a one-earner couple with comparable earnings.

A divorced woman has limited protection under Social Security. If she has been married 10 years or longer, she will be eligible for spousal benefit at the same 50 percent rate used to calculate a married woman's spousal benefit. However, the married woman will be able to combine her benefit with her husband's benefit of twice that amount to produce a family benefit equal to 150 percent of his PIA. A divorced woman is likely to have only her 50 percent benefit (averaging $229 a month in December 1983) on which to live. When her former husband dies, her benefit will be increased to 100 percent of his PIA.

The dual entitlement rule applies to divorced women as well. Because the divorced spouses benefit is so low, most divorced women are entitled to a workers benefit that is higher. However, if a divorced homemaker enters or reenters the labor force after a long marriage, she will probably not earn sufficiently high wages for a long enough period of time to insure above-poverty level retirement benefits.

In 1981, the Center for Women Policy Studies combined forces with several other women's organizations, aging organizations, and concerned experts to form a technical committee to design a solution to the problems of women under Social Security that was feasible within the cost limitations of the system. Under the direction of Edith U. Fierst, that committee has deliberated for over two years and is now nearing completion of its plan. The plan incorporates the concept of earnings sharing which treats marriage as an economic partnership. It bases Social Security retirement and disability benefits on earnings records shared equally between spouses for each year of their marriage. Each partner's benefit would be based on one-half of the couples earnings during their marriage plus whatever earnings s/he accrues prior to and after the marriage. If a person divorces and remarries, s/he would add her half of the shared earnings from the first marriage to her half of the shared earnings from the second marriage to any wages earned while not married to determine her PIA.

Each individual, whether s/he worked in or out of the paid labor force would be entitled to a workers benefit. Unpaid work in the home and paid work in the labor force are assigned equal values within the economic unit. The concept of dependency is entirely eliminated.

In the 1983 Social Security Amendments, Congress directed the Department of Health and Human Services to report to Congress by July 1, 1984 on the costs and impact of earnings sharing. I understand that their analysis is nearing completion and they will be reporting on three versions of earnings sharing. One version will be the plan of the Technical Committee which will be completed this summer. A final report of the Technical Committee will be presented to the House Select Committee on Aging in the Fall.

It is my belief and hope that the issue of women and Social Security will move toward the center of Congressional attention and debate next year. I hope that the members of this committee will seriously examine the recommendations of the Technical Committee on Social Security Reform for Women.

Representative SNOWE. No, I appreciate it. Both of you have had very substantive testimony, and, I think, very valid recommendations to make in both categories, and I'm just a little concerned because we are going to have some votes.

Ms. Moss, why don't we start with you and we'll go back to Ms. King on some of the medicare/medicaid and Social Security programs. You mentioned some changes for the pension system above and beyond what the House and Senate had approved, such as indexing, eliminating vesting requirements, portability. What do you think the response would be of employers to those changes?

Ms. MOSS. I think many employers view these as inevitable. There are certain ways to make these changes that take into consideration some of their concerns. You could, for example, reduce vesting from the current 10 years to 5 years as opposed to 3 years or 1 year. Three-year vesting would benefit more workers but maybe 5 is a good compromise.

Another proposal might be to limit Social Security integration, that is, the extent to which the plan may take into account Social Security, rather than abolishing integration entirely. That is a possibility. I think there are ways of compromising with employers to make the changes less objectionable.

Representative SNOWE. Has the Pension Rights Center been involved during contact with employers concerning these changes, and if so, what has been their response?

Ms. MOSS. Offhand, I cannot tell you what employers have said. I am not the primary one in my office who would know, but my understanding is that Congresswoman Ferraro is thinking about introducing a bill that would make some of these changes, and at that point we'll have to see what kind of reaction we get.

Representative SNOWE. I agree with you. I think they are necessary. I think they would be responsive to women and the role they play in the work force, and at this point, I think the changes we have made in Congress are very important and significant, but I think we're going to have to go above and beyond that.

What are the trends in private industry with regard to pension coverage? Are they more likely to provide a pension plan or less likely, based on these changes and the other changes that are likely to ensue in the Congress?

Ms. MOSS. Well, if you look, for example, at what the Retirement Equity Act will require, I don't believe that that will affect an employer's decision to offer a pension plan. It shouldn't. Some employers may have claimed it would, but if you look at the Retirement Equity Act provisions, they were designed to be relatively inexpensive for employers, and they are. So I don't see any justification for employers cutting back on coverage or other plan provisions simply because of some of the Retirement Equity Act changes.

Representative SNOWE. I was interested, as well as surprised, to read your testimony about the fact that employers are not required to provide a pension plan for all employees, but a certain percentage.

Ms. MOSS. That's right.

Representative SNOWE. And what is the purpose of that provision?

Ms. Moss. I can't understand the rationale, except to save money. Our understanding is that as long as employers cover the requisite percentage, then they may exclude employees by class, and class could refer to everyone with red hair, for example, or anything, I guess, that doesn't violate other employee discrimination laws.

Representative SNOWE. Does that allowance primarily discriminate against women, from your experience, or to your knowledge?

Ms. Moss. I have not seen any statistics that would really give me a clear picture, but given that employers, if they could, would tend to favor upper income, longer service workers, and since women tend not to be in that category, my guess would be that it does discriminate against women workers.

Representative SNOWE. Now, also ERISA allows an employer to provide a financial plan for any employee that's 55 or younger.

Ms. Moss. An employer may exclude anyone who starts a job after age 60.

Representative SNOW. Oh, starts a job after age 60?

Ms. Moss. Right.

Representative SNOWE. So in that case, it would exclude, primarily, women from participating in the pension plan starting at the age of 60.

Ms. Moss. It would hurt those women, for example, who are reentering the work force at a later age or women who have had a succession of short-term jobs and happen to start one after age 60. That woman would be left out of the plan.

Representative SNOWE. What is the average number of years a woman works in the work force over her lifetime?

Ms. Moss. That I don't know. Maybe one of the other witnesses would have statistics on that. We do have statistics that show that women on the average have been in their current jobs about 2½ years.

Representative SNOWE. 2½ years. Well, I just think that's why portability is so important. If a woman works 25 years over the course of her lifetime and yet really receives no credit for participation in any pension plan because she has not worked continuously with the same employer. So I think those changes are essential. You also mentioned in your prepared statement that some plans could afford to provide cost-of-living adjustments, but instead choose to terminate the plans in order to use the surplus for other purposes and plow it back into the company.

Ms. Moss. Right.

Representative SNOWE. First of all, is this prevalent among industries?

Ms. Moss. It is now.

Representative SNOWE. It is now?

Ms. Moss. It is a very hot issue.

Representative SNOWE. I find it remarkable, frankly.

Ms. Moss. A lot of plans—a number of plans now have a surplus in the pension funds, that is, they have more money than is necessary to pay off what has been promised to workers, and to some extent, because the stock market has gone up in recent years, investments did better than the plans expected, so they had this extra money, and that's what they have chosen to do—terminate the plans so they can get the surplus out and invest it.

Representative SNOWE. The Pension Benefit Guaranty Corporation given them the approval for terminating the plan; is that right?

Ms. MOSS. Yes.

Representative SNOWE. Well, what criteria do they use to make that determination?

Ms. MOSS. Well, I guess this is a controversy among the various Federal agencies. The Administration, the PBGC, IRS, and the Department of Labor are trying to come up with a policy. Now the policy they have come up with seems to be, basically, that people who want to terminate their plans can do so. The rationale is that plans are voluntary, and so if the employer can pay off the benefits promised, then there is no reason why the employer shouldn't be able to take back the surplus.

Representative SNOWE. Do they get to pay taxes on that when they terminate the plan?

Ms. MOSS. Yes, I think they do pay taxes on the surplus, but they still find it worthwhile, so it is not a deterrent.

Representative SNOWE. So, just so I understand, employees tend to find themselves with a pension plan that will never be adjusted for inflation.

Ms. MOSS. That's right. What they have accumulated up to that point is what they have forever. There is no chance of increasing the pension.

Representative SNOWE. Thank you.

Ms. King, you were talking about long-term care delivery system, and you mentioned that we need to consolidate or streamline that delivery system. Are there other recommendations that you would make to make the health care delivery system more effective?

Ms. KING. Oh, my, yes. First of all, I would place more emphasis on preventive care and coverage for preventive care and, in fact, I think I would put under medicare almost a mandatory physical examination upon entering enrollment. I think we might catch a lot of the illnesses in early stages and begin less expensive, hopefully, more successful treatment programs for them and save costs in the long run. I also would like to see medicare and perhaps more other private insurance companies—I think some of them do cover prescription drugs. Medicare does not, unless they are used in an institutional setting. I think what happens is, older people go to the doctor, come home with a few prescriptions and simply don't have enough money to fill them and never do. And that, of course, is going to accelerate the progress of their illness.

I think that we need to do something to eliminate the institutional bias in both medicare and medicaid. We need to find ways to encourage home care, community-based care. I think it is a less traumatic, less expensive type of care, and I think in terms of the elderly, it probably is the most effective. I think that we need to find some way to support family caregivers. I think we need to realize that they provide a great deal of care, and we need to provide respite care, geriatric care, other kinds of care to make it possible for family caregivers to continue to care for their elderly relatives.

I think that as we look at the whole health care system, we also need to look at housing and transportation and some of the other supportive services that are also a part of that whole lifestyle continuum of care problem that the elderly face. And there were some central community agencies established to perhaps provide a coordinating mechanism for all that. I think it would be optimal. Right now the area agencies on aging just don't have the authority really to do that, and in most communities that I have seen, there isn't one central agency that does.

I am sure I can think of a lot more.

Representative **SNOWE**. No, I appreciate that. From what you have mentioned, I think it's very good, in terms of our understanding of what direction we should take.

You mention in your prepared statement, concerning health care costs, that in 1978, the average annual per capita health care costs of a person over the age of 65 was $2,000 in comparison to $764 for an adult between the ages of 19 and 64.

First of all, do we have any more recent statistics than that, and does medicare and private health insurance coverage provide for those costs, or is that out-of-pocket cost?

Ms. **KING**. No, those are not out-of-pocket costs. Those would be total costs. I could find more recent—I will look for more recent statistics and try to find those for you. Medicare covers now about 44 percent of health care cost for the elderly, and I think elsewhere in my prepared statement, I include information on out-of-pocket expenses, but I do have a great deal of information on that, if you'd like me to try to provide it.

Representative **SNOWE**. Yes, I think it would be very important to include it in the record, if you can.

I gather from your statement that there might be an institutional bias in the medicaid program, for example, that unnecessarily forces a woman to go into a nursing home, because she can't afford to stay at home, she's in abject poverty, and therefore, ends up in a nursing home, and there is really no way out.

How can we structure both the medicaid program and the medicare program for that matter, to provide adequate coverage to women, as well as men? But I think in this case what we're finding is that the medicare program, for example, has a bias against women because they address more of the acute care rather than the long term, which is what women require, because they do live longer.

Ms. **KING**. Right. You're asking really hard questions and really important questions, as well.

The institutional bias is really strong, and I have especially seen it in terms of the nursing home institutional bias of medicaid, and it simply is because these people need services and need care. Sometimes it's just a very minimal amount of care. Sometimes it's just someone to come into their homes in the morning and help them get dressed, help them have a bath a couple of times a week.

Sometimes it's for a limited amount of time following an illness, and if there is good rehabilitation care, there can be improvement and there can be recovery. But unfortunately, these people on incomes of $3,000 and $4,000 a year and Social Security benefits of $370 a month, simply can't afford it. So they don't get care and what medicare pays for is for them to get that care in an institution. So they have no choice. They are absolutely forced to go into a nursing home, unless they have a family member who can take them in, and a lot of these women who are now in that age category have—I think the statistics show that a quarter of them don't even have any children.

It's not that family members aren't supportive, because I think the data shows overwhelmingly that they try to be. But at some point in time, caregiving becomes exhaustive, becomes not possible. Also, because of a lack of community-based alternatives.

I would just like to see a lot more public money go into supporting programs such as homemaker chores services, geriatric day-care programs. I think a lot of the senior centers, the nutritional programs, are excellent, Meals-on-Wheels is an important service, and yet there are waiting lists in most communities that I have been in. There simply aren't enough of those kinds of services to enable people to stay in their own homes.

I think it would be more cost-effective to pay for those than to have to pay for the very expensive institutionalization.

Representative SNOWE. I know that Representative Conable, who is the ranking member of the Ways and Means Committee, introduced a bill last month to extend medicare coverage for long-term care. He said that existing policies amount to incarceration rather than providing care to individuals. So I think there is obviously concern in Congress that we need to take a different direction. I agree with your earlier statement about the fact that we not only need to be concerned about the cost of the medicare program and how we are going to finance it for the long term, but also how we're going to redesign and revamp the program for today's needs for both men and women in this country.

Ms. KING. I would also like to see at least for the elderly some kind of an integration between medicare and medicaid and more cooperation between the Federal health care agencies, the State agencies and the community agencies, because there is just a lot of tug and pull over "We're not going to pay for this service, because the Feds do, or we'll try to get them to pay for this," and it just results in very poor care to that person who is sick and disabled.

Representative SNOWE. You have both given outstanding testimony and very valuable recommendations, and I certainly appreciate your presence here today and the effort you have made.

Again, I thank you on behalf of the committee.

This is the conclusion of the hearing of the Joint Economic Committee. The committee stands adjourned.

[Whereupon, at 12:40 p.m., the committee adjourned, subject to the call of the Chair.]

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